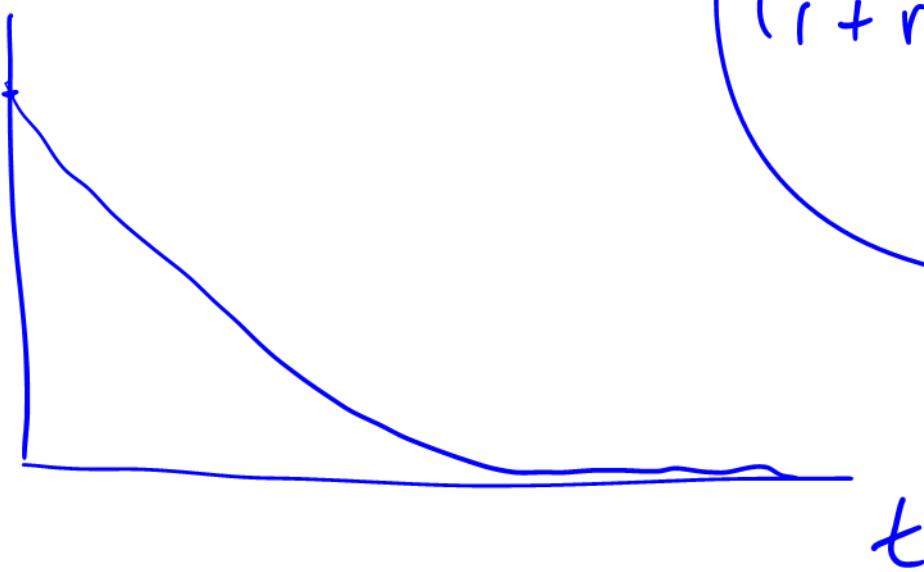


$$\left(\frac{1}{1+r}\right)^T = (1+r)^{-T}$$

$$\frac{1}{1+r}$$



$$\left(\frac{1}{1+r}\right)^T < \frac{1}{1+r}$$

not going to  
zero

T

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Is policy consistent with Steady state?  
SS  $\Rightarrow$  ratios of stuff are constant.