

The Efficient Transaction Hypothesis Crispy Chicken

Right Now

Or

EMH 2: Electric Boogaloo

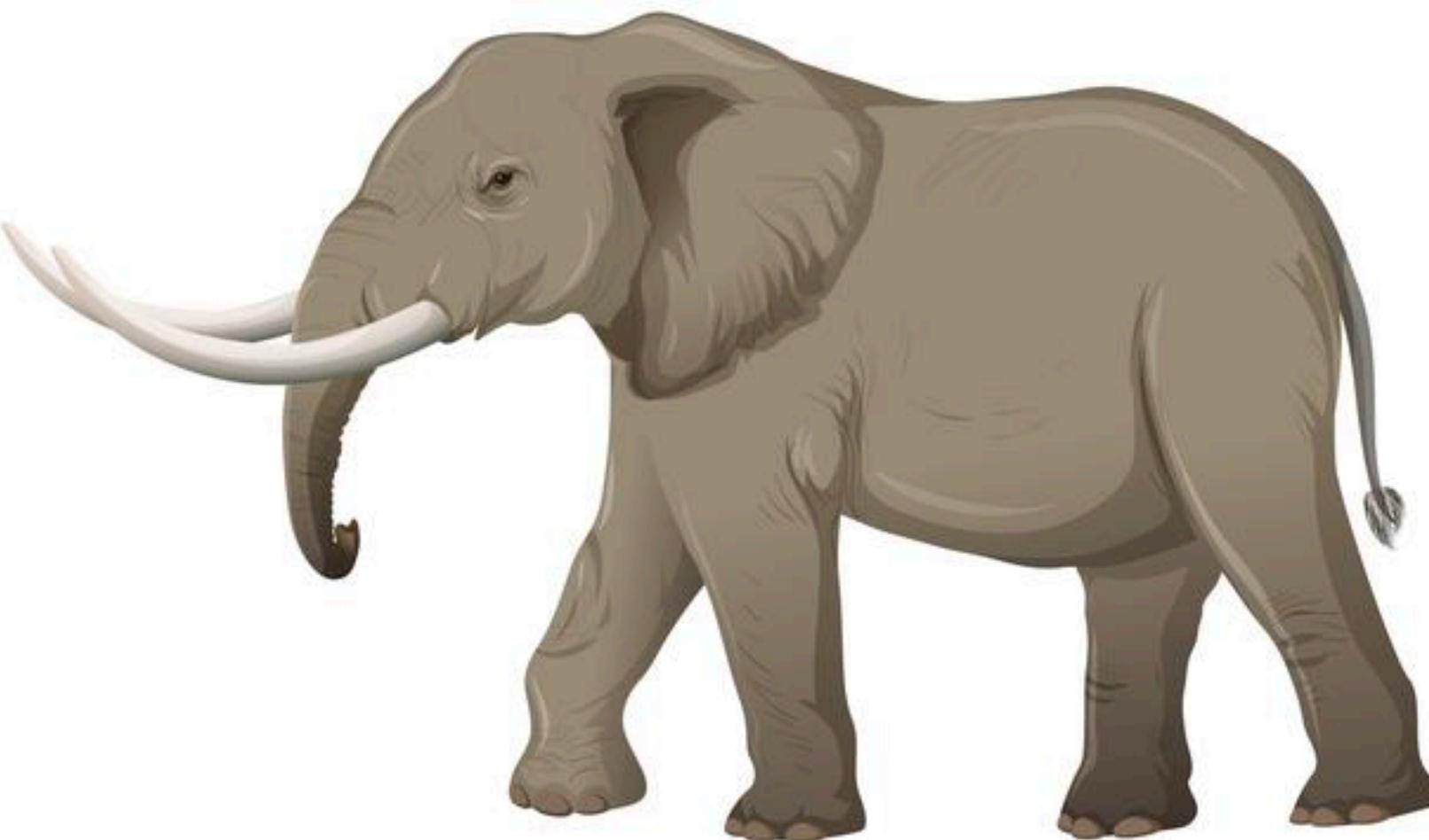
**Imagine two new types of guy
drop:**

Guy A has a toilet paper roll



...and he wants
to exchange it
for whatever he
can get.

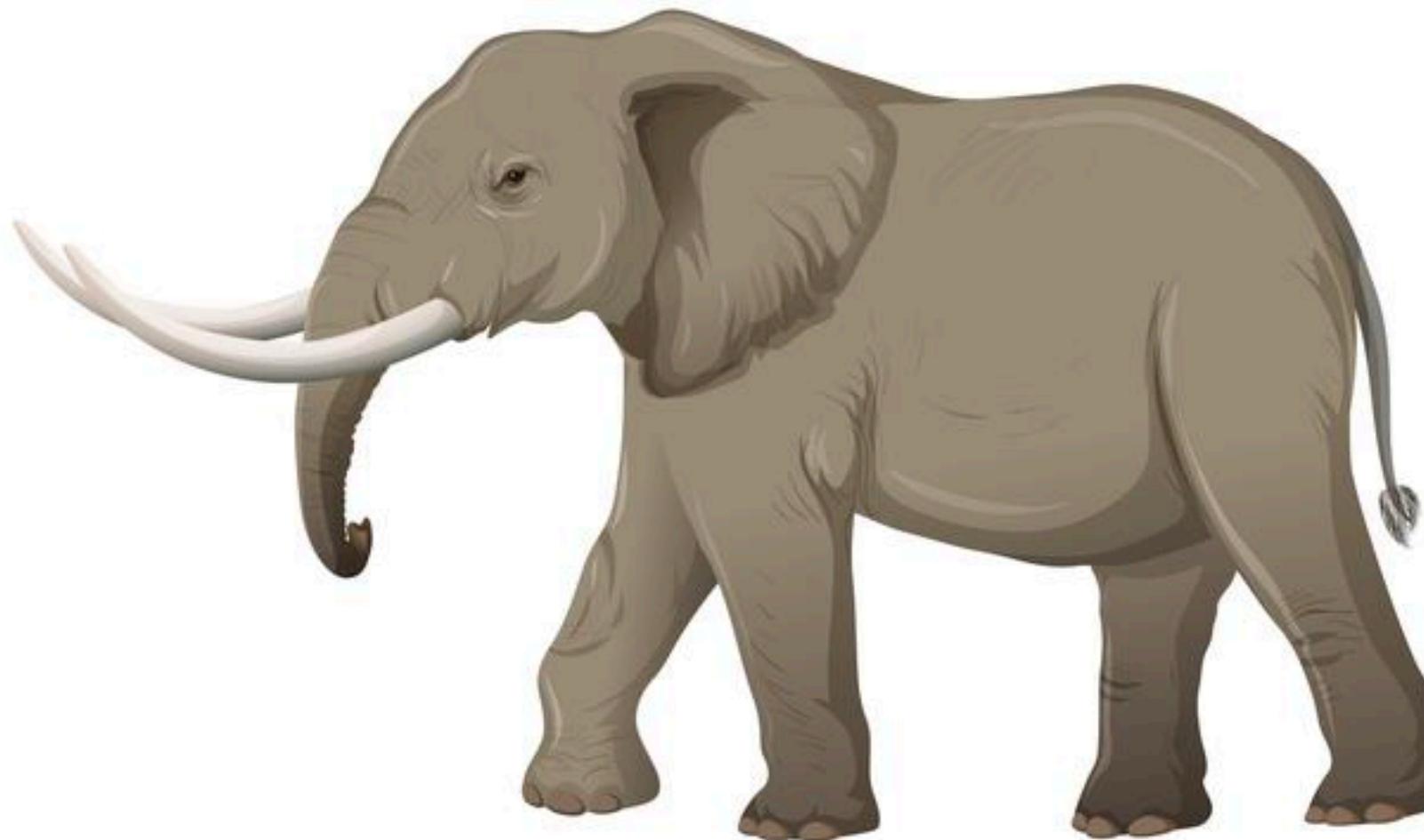
Guy B has an elephant.



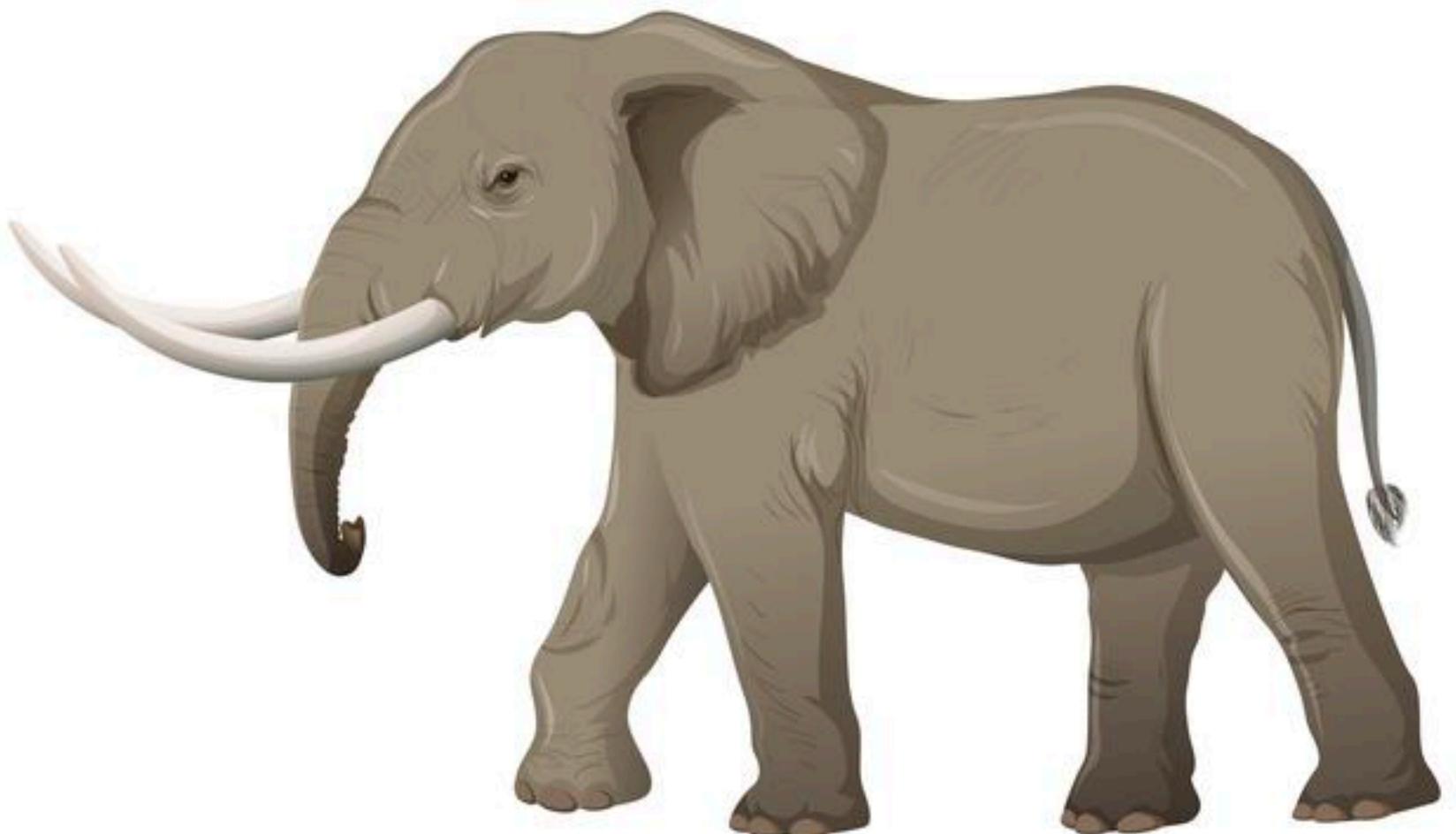
What if these guys agreed to a trade?



What if these guys agreed to a trade?



You might be tempted to say that this trade is inefficient for one of them.



You are wrong.

That's because you're thinking about value as fungible



To be fair...



Globalization works because of fungibility



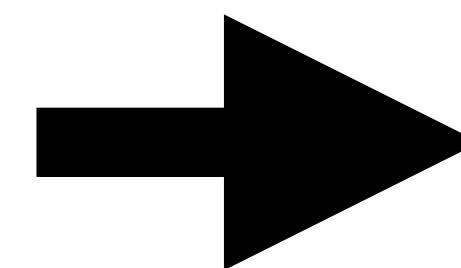
Most global trade takes place due to fungible goods



But when goods reach an endpoint at which they're *used* they're almost always non-fungible



Imagine I can fish,
So I decide to can fish,
At my very own fish cannery

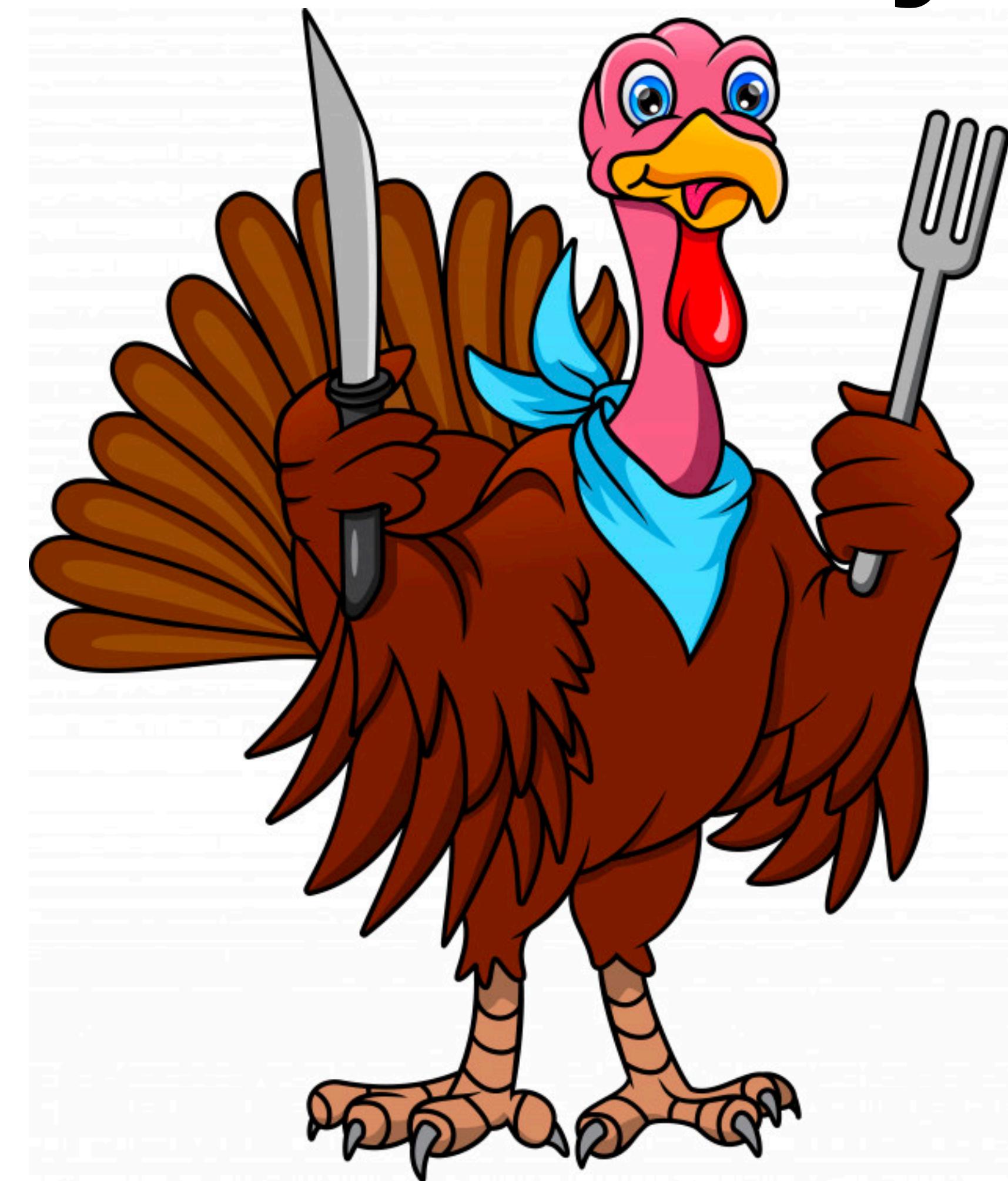


I make a whole business out of it, and outsource the actual fishers:

FISH CANNED FOOD



So then one of those fishers has a grand idea, and gives me turkey instead of fish:

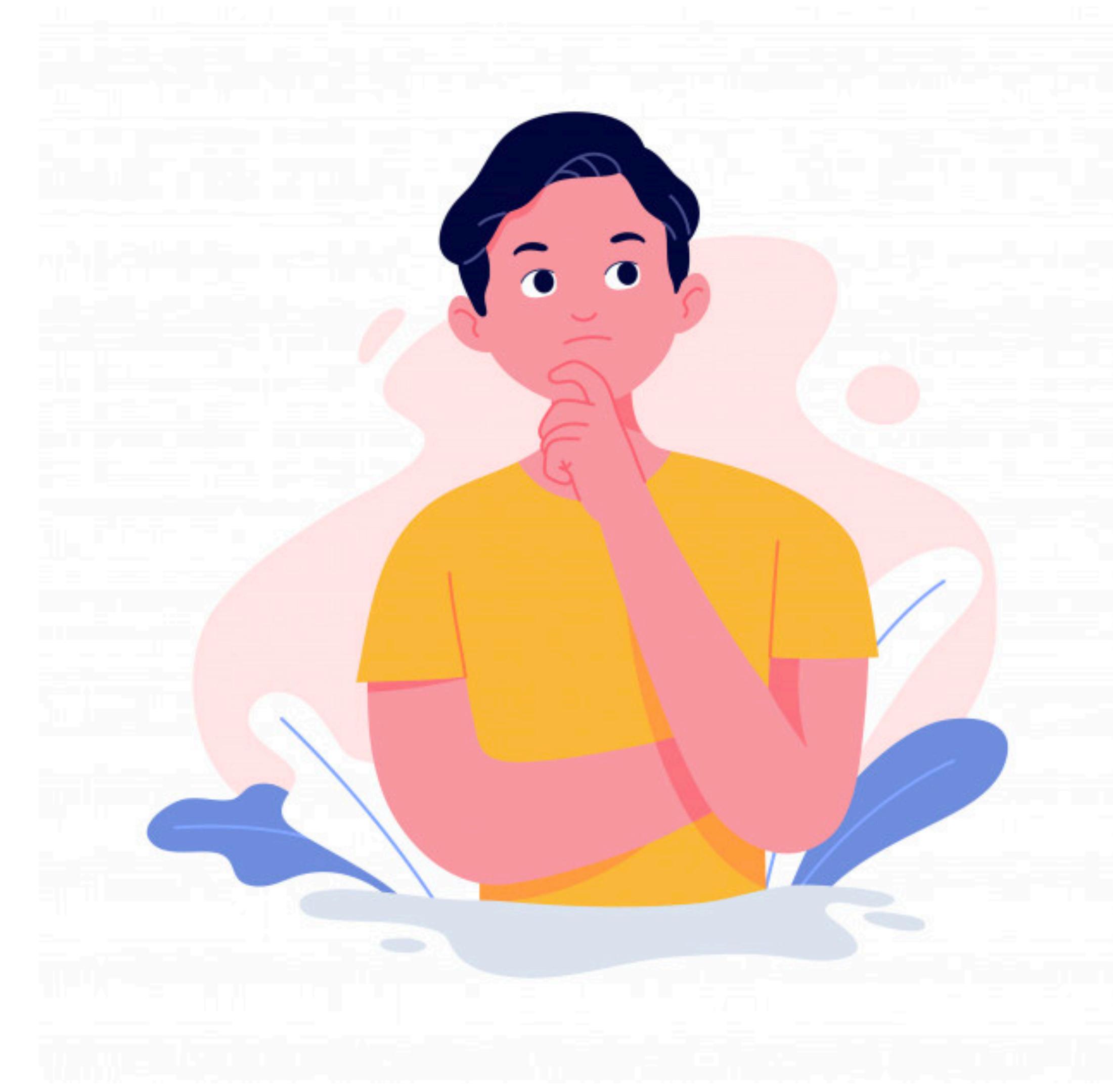


If they gave me the same value of turkey as fish, then I would still have to pay the logistical cost of figuring out how to sell turkey, so that's a no go:

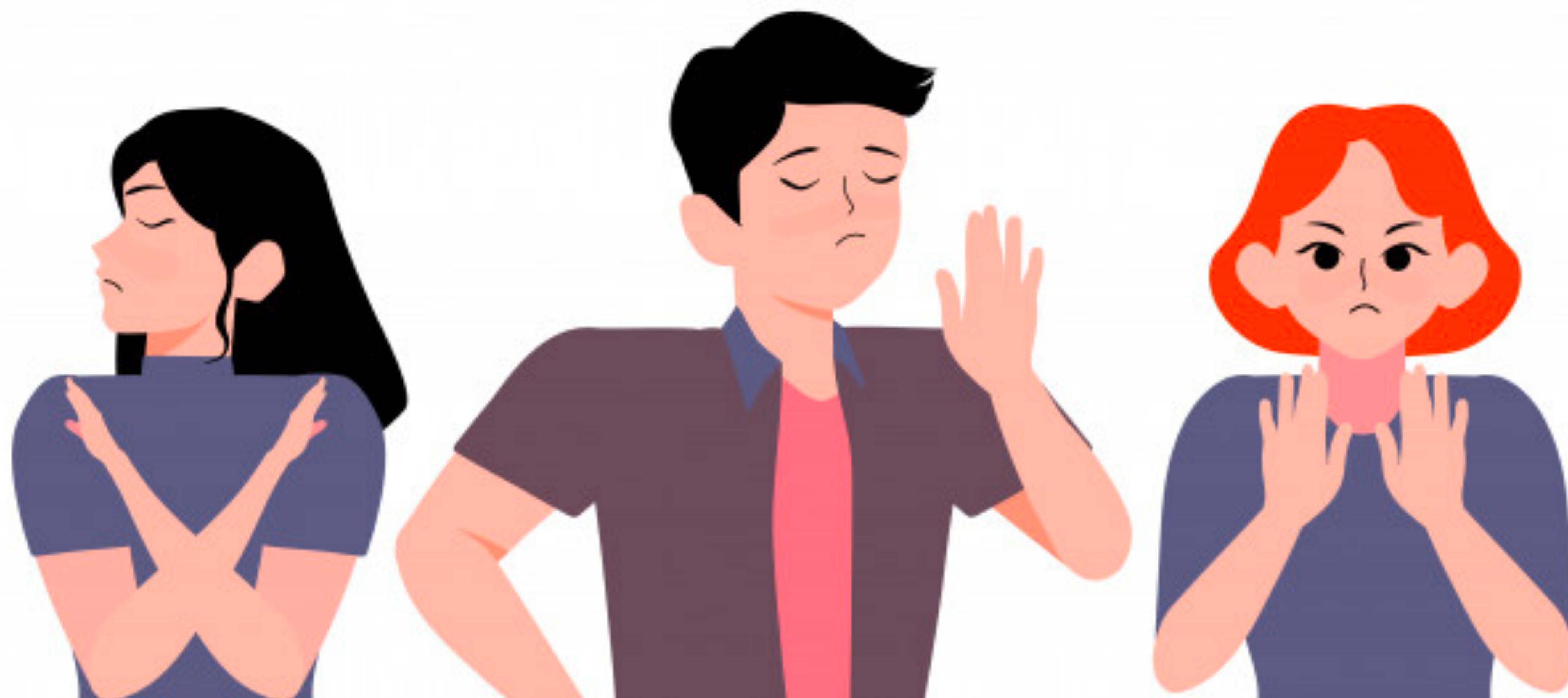


So they give me 100x the value of
turkey as fish I would normally receive.

Is this good?



Still no.



See, the value of the turkey more than covers the logistical costs of selling a new product.

...but I committed to canning fish and the change isn't acceptable, under my “planning values.”



The crux of it is that individual entities don't manipulate fungible value, they *pursue goals* and those goals have relative but non-isolated value.

Currency still exists,
But it's used as a way of manipulating the
very limited “standard value interfaces” of
individual agents.



**But we also care
about the actual
internal value
systems that
cause most
behavior!**





NOW YOU'RE THINKING WITH

*Nonfungible
Everything*

Descriptivism as a scientific style

NO, YOU CAN'T GO.

| BUT ALL MY FRIENDS-
| IF ALL YOUR FRIENDS
| JUMPED OFF A BRIDGE,
| WOULD YOU JUMP TOO?

" OH JEEZ. PROBABLY.



WHAT!? WHY!?

| BECAUSE ALL
| MY FRIENDS DID.
|
| THINK ABOUT IT-
| WHICH SCENARIO
| IS MORE LIKELY:



EVERY SINGLE PERSON I KNOW,
MANY OF THEM LEVELHEADED AND
AFRAID OF HEIGHTS, ABRUPTLY WENT
CRAZY AT EXACTLY THE SAME TIME...

| ...OR THE BRIDGE IS ON FIRE?



...I, UH...HMM.

| IMAGINE READING THIS ON CNN: "MANY
| FLED THEIR VEHICLES AND JUMPED FROM
| THE BRIDGE. THOSE WHO STAYED BEHIND..."

| IS SOMETHING GOOD ABOUT
| TO HAPPEN TO THOSE PEOPLE?

| MAYBE THEY'LL
| FIND COOKIES?

" OK, YOU STAY.
| I'M JUMPING.



Pragmatism
~~Descriptivism~~ as a scientific style



new assumption: if someone makes a trade, it *must* be efficient.

new goal: what kinds of sensible systems can explain under what constraints these trades are efficient?

On the Next Episode

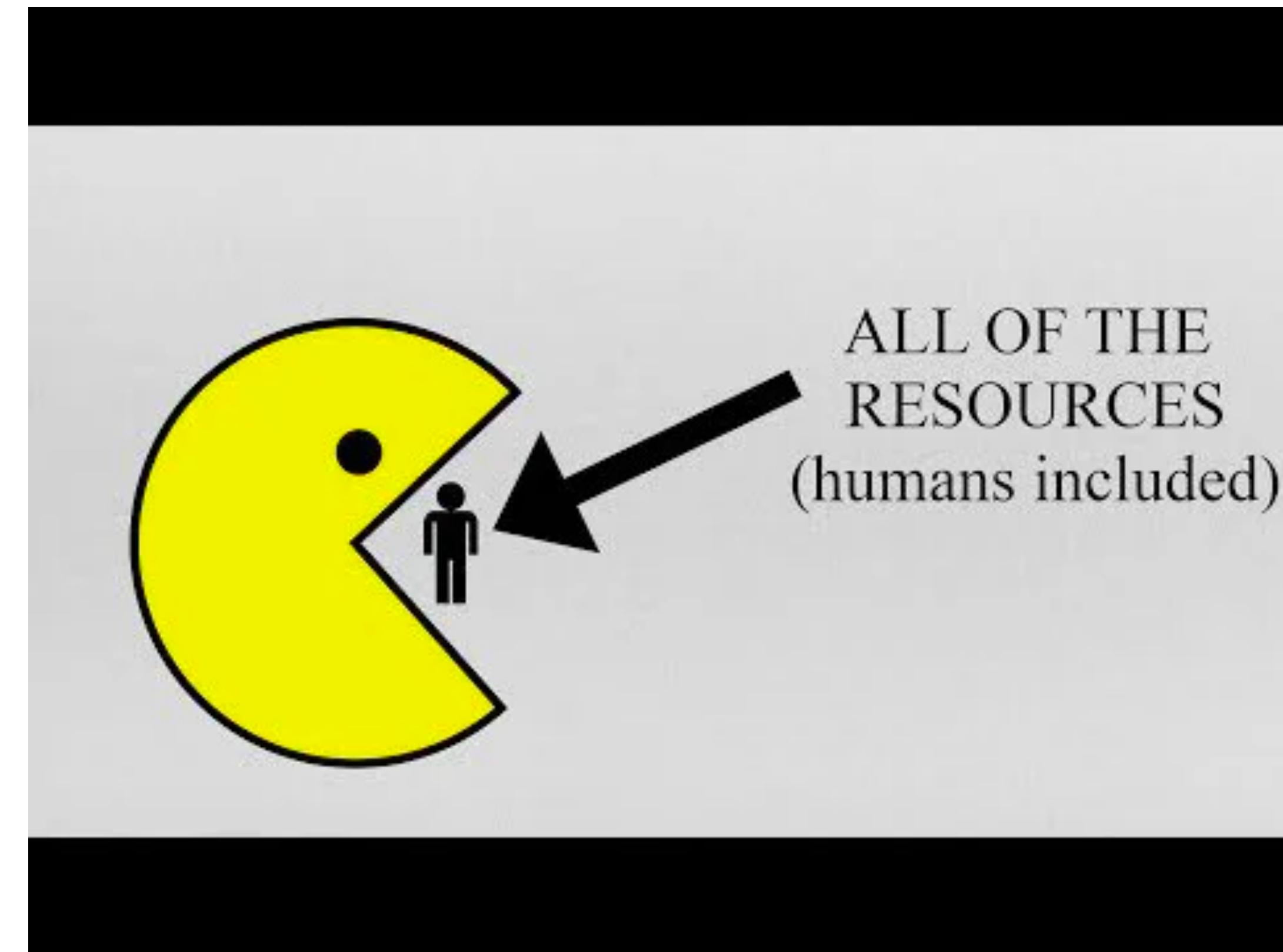
Why price still matters, but peirce matters more



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Utility Crimes by Knowledge Monsters



<https://www.youtube.com/watch?v=Rt3szcr8ogw>

The resource tradeoff game has reflexive lynchpins,
e.g. anti-inductivity

