Drawing on Karl Mannheim’s distinction between utopia, idealistic visions of social and political reconstruction, and ideology, doctrinal justification and rationalization of existing institutional arrangement, Tilman, an institutional economist, sees little policy merit in the scholarship of Frank Knight, Frederick Hayek and Milton Friedman among other worthies. The major issue, I think, is the comparative role or function of the notion of human nature and the existence of history.

For the libertarians, as a group, depend on a theory of human nature that has an essential characteristic, enduring in all situations, while history has too many variables providing for a wider interpretation of cultural data. The libertarians’ theory of human nature allows for a type of natural laws to operate in human affairs. On the other hand, history suggests context and a hint of relativism, which the libertarians strongly reject. The only “natural” institution is the market based on self-interest that liberates the individual and provides wider and truer choices.

Generally, this book is clearly and fairly written. Tilman keeps his personal valuation under control but at times in the narrative he blasts the libertarians for their ideas. For as an institutionist, Tilman sees little merit in the American corporation, the historic result of a cynical
view of human nature and market “freedom”, a sponge word according to him. For example Tilman in nine chapters uses one chapter to critique libertarian disinterest in wasteful consumption, a concept near to T. Veblen’s heart.

Frank Knight, the economist from the University of Chicago was the source for post World War II libertarian conservatism. This form of conservatism is committed not to tradition but to the American capitalism which historically is anything but conservative. An hour watching the commercials on TV reveals that every bodily function and physical process has a medical aspect that the product in question can cure or allow the customer to ignore the condition. Language is corrupted, relationship compromised, but the market resolves: economics means exchange not ethical relations.

Finally this book is a handy source on a topic that generated a lot of light (and heat) since the days of 1776 and all that.

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