

**Abstract.** During the early-1940s, both Milton Friedman and Anna Schwartz downplayed the role of money in the economy. By the mid-1950s, they had not only become what later were called monetarists, but the findings from their joint work defined monetarism. The key factor underlying the change in their views was what they learned from their study of U.S. historical experience, especially their empirical confirmation of the Fed's role in the Great Depression. Here, the influence of Clark Warburton on Friedman's thinking loomed large. We document Friedman's advocacy of the constant-money-growth rule as an outgrowth of his and Schwartz's empirical research.