formation gathering and processing and provide economic agents with all the information they need. This means that the costs associated to information gathering and processing activities should be considered by the firm an indirect cost of stock markets funding, at least for the part that is not a consequence of the firm's decisional process and would not have been carried if the firm was not quoted on the stock markets, that is, for the part that is carried exclusively to fulfill the information duties imposed by the « transparency » principle.

If firms act according to the « transparency » principle, the transaction costs associated to trading on the stock markets can be socially redistributed, and the possibility of speculative manouvres on stocks can be weakened since if, say, the « correct » information about firms' perspectives etc. is diffused throughout the economy, all of the economic agents have a clear perception of the fundamental values of the various stocks and no systematic departure from those values will be sustainable.

There is indeed no doubt that social welfare requires that stock markets work as an efficient allocative mechanism of the available capital to the best productive uses. However, the notion of « transparency » as such does not seem to be a useful reference principle for regulation and policy in this context. The « transparency » principle assumes the efficient markets paradigm as its reference theoretical description of the working of the stock markets. If the efficient markets paradigm holds, traders have unlimited (or almost unlimited, in the weak version) computational abilities as well as a complete (resp. almost complete) knowledge of the structural and strategic features of the market game. Under this extreme set of assumptions, firms may not have an incentive to conceal their information from traders and the « transparency » principle may be implementable (6). However, the efficient markets paradigm is a bad descriptive choice in the presence of systematic uncertainty, and few would question that there is systematic uncertainty in the actual world. The structural and strategic fea-

(6) In particular, in the strong version of the efficient markets paradigm, firm will have no incentive to conceal information because traders are always able to infer it [at least if the number of possible states of nature is finite; see RADNER, 1979]. In the weak version (or in the strong version with an infinite number of states of nature), firms might have an incentive to conceal information, but there is the possibility that traders come to learn it eventually.