

While Obama does it.

S. Zakarian, Vice President of "GunnAllen Financial"

US government officials seeking to revamp the financial bailout have discussed spending another \$1 trillion to \$2 trillion to help restore banks to health, the Wall Street Journal said, citing people familiar with the matter.

The paper said the Barack Obama administration could announce its plans within days but has not yet determined the final shape of its new proposal, and the exact details could change.

The administration is also seeking more effective ways to pump money into banks, and is considering buying common shares in the banks, according to the paper.

A Treasury spokeswoman told the paper that "while lots of options are on the table, there are no final decisions" on what she described as a "comprehensive plan". "The president has made it clear that he'll do whatever it takes to stabilize our financial system so that we can get credit flowing again to families and businesses", she told the paper.

The U.S. Treasury has already disbursed nearly \$294 billion from the government \$700 billion Troubled Asset Relief Program, or TARP to shore up the banking system and faltering U.S. automakers. Billions more have been pledged for particular uses.

JPMorgan has it.

JPMorgan Chase & Co has "plenty of capital" and wants governments to stop talking about nationalizing banks, its CEO said recently.

"JPMorgan would be fine if we stopped talking about (the) damn nationalization of banks ... we've got plenty of capital", Jamie Dimon said at the annual meeting of the World Economic Forum in Davos, Switzerland.

On January 15, JP Morgan reported a 76-percent fall in fourth-quarter profit as it wrote down bad loans, signaling that even the bank that has avoided the worst of the credit crunch is struggling with the recession. At the time, Dimon called the results "very disappointing".

Underlining the bank's confidence, Dimon said JP Morgan had lent \$150 billion in the last 90 days including \$50 billion in the interbank market, also to European and British banks, but added: "It's scary because at the end of the day you have to survive".

"I'm hoping by the end of the year we're coming out of the crisis", he told journalists.

He said more acquisitions were unlikely as JP Morgan was busy absorbing recent buys.

The U.S. and other countries are considering setting up a so-called "bad bank" to mop up the toxic assets of stricken lenders. It would take billions of dollars of the worst assets off banks' balance sheets.

Dimon welcomed the idea: "It's all in the execution. If it's executed well, set up properly, it would be good".

