

# Nation-based 51% Attack

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## Abstract:

A global economic growth strategy that distributes a basic income of US\$ 2.4 trillion per year per 100 million people using the profits from the issuance of ReEncryption Currency (REC) is coming up to replace Bitcoin with REC.

The reason is that a 51% attack on Bitcoin was possible with only 1% of its issuance profits, or US\$ 22 billion estimated by Lucas Nuzzi, etc, and we have entered an era where its security is being questioned.

## 51% Attack:

We fully understand the paper on Breaking Byzantine Fault-Tolerance (BFT): Quantifying the Cost to attack Bitcoin and Ethereum written by Lucas Nuzzi, Kyle Waters, Matias Andrade on February 2024.

This paper constitutes a new analytical framework to assess the cost and viability of potential attacks on Bitcoin and Ethereum.

By constructing a model to estimate the costs associated with executing both 51% attack and 34% attack, they delve deep into the economic incentives that safeguard these networks against potential threats.

They say total cost to attack is US\$ 22 billion for 51% attack on Bitcoin and US\$ 34 billion for 34% attack on Ethererum.

## ReEncryption Currency (REC):

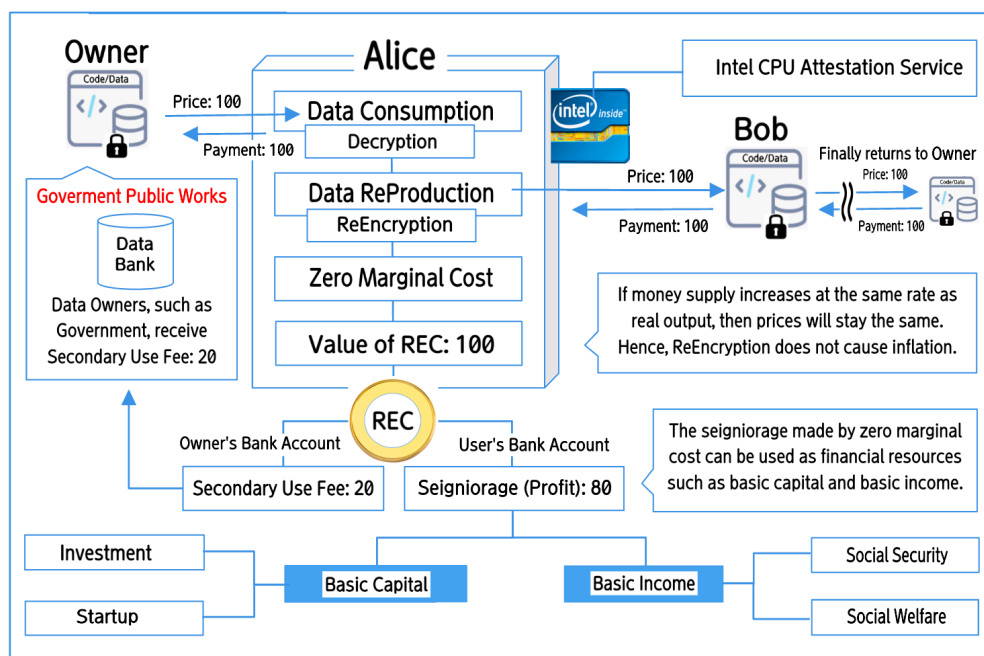
Typical marginal cost (MC) curve overlaid with marginal revenue (MR) goes up but ReEncryption makes the marginal cost into "Near Zero" when ReEncryption transforms runtime data consumption into data re-production as real output.

Hence, ReEncryption Currency (REC) as money supply is born from the Zero, and its seigniorage as profit remains with individuals who can use it as financial resources for basic capital and basic income without issuing sovereign bonds and without increasing consumption tax and as the most interesting solutuon, ReEncryption Currency (REC) recognizes seigniorage the moment it is issued.

**Basic Model:**

If Japanese government provides copyrighted code/data as public work worth monthly US\$2,000 per user assuming population of 100 million, ReEncryption transforms runtime code/data consumption worth US\$2,000 into code/data re-production as real output worth US\$2,000, while transforming zero marginal cost worth US\$2,000 into ReEncryption Currency (REC) as money supply worth US\$2,000.

Hence, the government will receive REC worth monthly US\$40 billion and yearly US\$480 billion as secondary use fee 20%, individual user will receive REC worth monthly US\$1,600 and yearly US\$19,200 as seigniorage (profit) 80% and users as a whole will receive REC worth monthly US\$160 billion and yearly US\$1.92 trillion that can be used as financial resources for basic capital (e.g., investment) and basic income (e.g. social security) without issuing sovereign bonds and without increasing consumption tax.



**Cantillon Effect:**

GDP consisting of consumption by citizens, investment by private sectors, spending by government and surplus by export depends on citizen's consumption that shares major 60% and money creation closer to final consumers.

Hence, Cantillon Effect gives us the answer that the closer citizens are to the source of money creation, the more citizens consume and invest.

Finally, governments and central banks have potential to adopt REC as a fiat money and to shift money creation to closer the citizens.