The Daily Dish

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Yesterday, the Obama Administration announced new regulations to further ease travel and trade restrictions with Cuba. As of today, the Treasury and Commerce departments authorized U.S. airlines to facilitate trade with Cuban airlines, and payment and financing restrictions on allowable exports and re-exports will be lifted. However, tourism activities will remain prohibited.

The FAMILY Act, introduced recently in the House and Senate, would provide a generous 12 weeks of paid time off to U.S. workers. The American Action Forum recently found that this proposal and similar paid leave proposals would cost anywhere from $159.6 billion to $997.4 billion per year. On average, it would cost the government $6,700 for each worker who takes 12 weeks of paid leave. In order to finance what would essentially be a new entitlement program, the government would need to impose a nearly 2.1 percent payroll tax.

Eakinomics: Clinton Fantasy World

Tuesday the Congressional Budget Office (CBO) released the final version of its January Budget and Economic Outlook. It is somber reading. The deficit is projected to rise by $100 billion to roughly $540 billion next year, exceed $1 trillion in 2024 (the final year of the 2nd term of the next president), and exceed $1.3 trillion a decade from now. The deficits occur despite rapid growth (4.1 percent annually) in federal revenues and very limited defense (2 percent) and non-defense (1.6 percent) discretionary spending. By process of elimination, the problem emerges: exploding entitlement spending. Social Security grows 5.9 percent per year, Medicare 6.4 percent, Medicaid 5.4 percent, and Obamacare subsidies 6.9 percent.

The second gloomy part of the outlook is the potential pace of economic growth, which CBO now pegs at a mere 2.0 percent.

This is the hard reality of the budget and economic outlook. Meanwhile, presidential candidate Hillary Clinton sails along on a sea of budget and economic fantasy, evidently oblivious to the icebergs that actually lurk in these waters. Rapid entitlement spending a threat? No problem, let's add $1.2 trillion more, including free college, an infrastructure boondoggle, paid family leave, and more. Since Clinton has proposed only roughly $500 billion in new taxes, the already-dire outlook would turn even farther south.

Those tax increases would largely come from the so-called Buffett Rule, a 4 percent surtax on the rich (income over $5 million), and a cap on itemized deductions. The combination of a more bloated government and higher taxes is hardly a breath of economic fresh air. The Tax Foundation estimates that the proposals would reduce GDP by 1 percent over the long-term and that, after accounting for reduced GDP, the after-tax incomes of all taxpayers would fall.

The facts demand that we reform entitlements and nurture growth. Proposals like this do the opposite.