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The new commuter train service between Göteborg, Sweden's second city, and Vägen commenced last week. With new stations serving a suburban area which has previously had to rely on bus services, it will make commuting more attractive and open up new development opportunities. The scheme is part of a big infrastructure project which has involved the rebuilding of the route to Trollhättan, on the route to Oslo, as a high speed, double track main line.
Since the Swedish tax system includes a small element of land value taxation, some of the additional land value created by this investment will return to the community. But most of Sweden's taxes are raised through punitive levies on productive activity, resulting in a high level of unemployment especially within the 16 to 25 age group, and chronically short staffing in the shops and services where they could usefully be working. It could be so different if the punitive taxes were phased out and the land value tax was put on a proper rental basis. The regular revaluation would quickly sort things out, giving the government a more reliable source of revenue and reducing the cost of employment so that more people were working and less had to be paid out to keep the unemployed in welfare.