

---

**From:** Valeria Chomsky [REDACTED]  
**Sent:** Saturday, September 30, 2017 12:23 PM  
**To:** jeffrey E.  
**Subject:** Fwd: Draft

N wants to send the letter below to his children, as an answer to thei= letters from August in the chain of messages below.

Sugg=stions? Something to add? Should he ask for an answer from them (instead o= starting with that first phrase)? Feel free to suggest. We tr=st you.

Thanks.

----- Forwarded message -----

From: Noam Chomsky [REDACTED]  
Date: Sat, Sep 30= 2017 at 3:15 AM  
Subject: Fwd: Draft  
To: Valeria Chomsky [REDACTED]

No need to respond to this lett=r. It is simply to provide you with information that you should have= We're busy getting ready to leave for Tucson, and there are som= things that I would like to clarify. I have tried to explain some o= these things before, perhaps inadequately. I'll partially repea= and amplify.

We can first clear up the specific matter of your letter. I=’s clear why we're not communicating. We are looking at the matter=from different perspectives. As you write, from your perspNective it=’s a legal and technical matter, no personal aspects involved. From =y perspective it is the opposite: a personal matter, with the legal and te=hnical issues marginal.

The whole idea of a loan within = family, let alone with interest, is something so strange that it would ne=er have crossed my mind.

True, I agreed to =t when Max and Sam proposed the financial arrangements to purchase the Cam=ridge apartment, but that was on the basis of a serious misunderstanding.=C2♦ I had not been paying attention then or in earlier years, relying on=my lawyer and financial adviser. Mistakes I am not making again. Sin=e then I have been paying close attention, and have been surprised at what=I have learned.

</=iv>

In this case, as I've explained befo=e, I assumed that the loan was a temporary expedient, perhaps for weeks or=at most months, until the Lexington house was sold. At that point I =ould at once pay back the loan and also would pay part of the mortgage, ma=be all of it, and then have the new apartment, unencumbered. I thoug=t, wrongly as it turned out, that I owned the Lexington house. Had I=known that I did not, I would certainly never have agreed to Max and Sam&#=9;s proposal. Whatever they may have had in mind, it was, p=ainly, very poor advice. Clearly it makes no sense at all to buy=into a coop near Harvard Square when I have zero funds to pay the purchase=price, let alone the regular coop costs. I would never have agreed i= I'd been paying attention instead of just taking advice on trust.

=br>

However, that's done, and now I am working out how to de=l with this quite substantial burden. I'll sell the apartment, p=y off the mortgage, and decide, with a trustworthy financial adviser, how =o deal with the loan.

</=iv>

<=iv>

There is further background which = discovered when I began looking into these matters instead of just taking=everything on trust and paying little attention. It was my mistake, =ow rectified.

The background I discovered is sketche= below -- in part, there is actually more, which is disturbing, but I'=l put it aside.

First, although I was teachin= at MIT for 60 years, I have almost no pension; less than Social Security.=C2♦ The reason is that when MIT restructured the pension system, M and I=took an option that provided us with an IRA, which we placed in a trust.

My only regular source of income, therefore, is an IRA= apart from a trickle of royalties from current books. The laws=require that about \$300,000 be withdrawn every year. That sounds like a lo=, until you look at what was happening. First, until last year, when=I learned about it, Bainco was paying out about half of the withdraw=al in distributions to the family. About a third goes to taxes.=C2♦ The rest went to payments on the Wellfleet house. That exhausts the =bligatory withdrawal.

=div class="gmail\_quote">

In addition, I was paying the man=gement fees for the entire estate. And there were of course addition=l substantial expenses, like Alex's medical bills and payment to Antho=y for the work that he is doing. All of that carries the total well =ever the required withdrawal. Worse, anything beyond the required wit=drawal is taxed at an exorbitant rate, which is why I suggested that taxes=come instead from the marital trust; no need to go over the fate of that i=ea. The arithmetic is simple. It's now far over the limit.=/div>

All of this is before I take one penny for living expens=s. Again, the arithmetic is straightforward. In the manner tha= things were being handled, in two or three years the IRA would be exhaust=d, and we'd be down pretty much to a very small pension and Social Sec=urity -- which do not go to Valeria after my death. Furthermore, it=C2♦goes without saying that I want to guarantee that after my death Vale=ia will have our home, unencumbered. That would clearly be impossibl= the way things were being handled. In fact, she would have nothing =t all.

I shouldn't have to explain that providing fo= Valeria after my death is a serious concern for me. We are very hap= together. Our being together added immeasurably to my life. = took for granted that friends and family would be very pleased about that= and those we see regularly are, very much so.

I'm glad that all of you will be free from any financial concerns, th=nks to substantial investments from my salary and other income over the ye=rs, now in trusts of which you the beneficiaries. But that doesn'=t happen to be the case for me. I didn't really think about it i= the past, but I never expected to have to spend my later years concerned =bout how to make ends meet.

<=div>

<=div class="gmail\_quote">

As for the trusts, M and I of course ar=anged that after our deaths, they would all go to you. But we both n=turally took for granted that while we were alive, we would have direct ac=ess to them, to use at our discretion. We also took=for granted that I would die first, so when the trusts were established, I=suppose about 20 years ago, they were in her name. But the intention=was of course obvious.

That's how things stand.♦=A0 I think it's important for you to be aware of them.

=/div>

D

----- Forwarded message -----

From: Diana Chomsky <[REDACTED]>  
Date: Thu, Aug 10, 2017 at 2:48 PM <=r>Subject: Re: Fwd: Fwd: taxes  
To: Noam Chomsky <[REDACTED]>  
Cc: Avi Chomsky <[REDACTED]> Harry Chomsky  
[REDACTED]

Hi,

The promissory note itself defines=the interest rate for the loan - our opinion doesn't hold any legal weight on this issue. If your lawyer doesn't think it's clear, would=she like to write to Max and explain the problem? We really don't see how w= can be of help on this. Since you set up this loan and its terms with the help of Max, who was your lawyer at the time, he's the one who will be able to clarify any doubts. We got involved only to try to explain because we thought you were misunderstanding the terms of the loan, based on what we learned about it.

If what you need is help calculati=g the amount owed based on the rules detailed in the note, Isabel Scharmer should be able to do that calculation easily, and we suggest you or your lawyer contact her.

We are more than willing to be inv=ived in these discussions, but we really need the experts present too because we just don't have the legal or financial know-how to give you the answ=rs you need without their support.

love, Avi, Diane and Harry

From: ♦=A0 Noam Chomsky <[REDACTED]>  
To: ♦=A0 Diana Chomsky <[REDACTED]> Avi Chomsky <[REDACTED]>  
<[REDACTED]> u>, Harry Chomsky <[REDACTED]> <[REDACTED]> y.net  
Date: ♦=A0 09/08/2017 10:38  
Subject: =C2♦ Fwd: Fwd: taxes

---

Follow-up to the letter below.

There is one matter that you have to decide. It has nothing to do with Max, or anyone else: How much interest do you want to charge on the loan from your trust?

We have to know this. We are supposed to be payi=g interest regularly, but Max has never informed us of how to do this, and it is accruing. Our own lawyer is trying to work out what should be done, but it all depends on your decision about the amount of interest we should be paying, and that is not clear because of obscurities in the promissory note.

We have to clear this up as soon as possible.

D

----- Forwarded message -----

From: Noam Chomsky [REDACTED]  
Date: Sat, Jul 8, 2017 at 7:00 AM  
Subject: Re: Fwd: taxes  
To: Diana Chomsky [REDACTED]  
Cc: Avi Chomsky [REDACTED] Harry Chomsky  
[REDACTED], Valeria Chomsky [REDACTED]  
[REDACTED]

I guess we'll have to agree to disagree.

On the DNI payments to me, I have nothing to ask, because I never heard of it before your letter and have no idea what it is.

There are no further distributions. That was arranged with Bainco when it became clear to them and us that distributions to the family were almost exhausting the obligatory IRA withdrawals.

On the promissory note, it's up to you what interest you want to charge on the loan. The Trust is basically yours. If you want to leave it this way, that's your choice. We have nothing to talk to Max about it.

We tried to rouse up David, but he never answered our phone calls or other messages, so we never got back in. We'll probably spend a couple of days there later in August. Now we're off to Tucson, then Uruguay for talks and various events with Mujica, then Brazil, back at the end of the month.

D

<=iv class="m\_-5901473723704152839m\_-6086762812464148269m\_3810526973981392=24gmail-m\_2973717015333163979m\_-7452866310724670975gmail-m\_810338574013675=541gmail-m\_-7792256345703817109m\_3374332883309058424gmail-m\_29681069890245=2648gmail-m\_-717300466233241675highlight">

Oxfam works with others to overcome poverty and suffering

Oxfam GB is a member of Oxfam International and a company limited by guarantee registered in England no. 612172. Registered office: Oxfam House, John Smith Drive, Cowley, Oxford, OX4 2JY. A registered charity in England and Wales (no 202918) and Scotland (SC 039042)

--

Valeria Chomsky=div>

