PRICING SUPPLEMENT NO. 1
(To Offering Circular dated May 8, 1996)

$125,000,000

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

$75,000,000 ONE HUNDRED YEAR 7.25% DEBENTURES DUE 2096
$50,000,000 7.125% DEBENTURES DUE 2026

Interest payable May 1 and November 1

The One Hundred Year 7.25% Debentures Due 2096 (the "Debentures Due 2096") will mature on November 2, 2096 and the 7.125% Debentures Due 2026 (the "Debentures Due 2026" and, collectively with the Debentures Due 2096, the "Debentures") will mature on November 2, 2026. The Debentures constitute unconditional, direct and general obligations of Massachusetts Institute of Technology (the "Institute"), ranking equally with the unsecured and unsubordinated indebtedness of the Institute. Each of the two series of Debentures described herein constitute a series of the Institute's Medium-Term Notes (Taxable Series A) described in the attached Offering Circular. The Debentures are not tax exempt. The Debentures will be redeemable as a whole or in part at any time at the option of the Institute at a redemption price equal to the greater of (i) 100% of their principal amount or (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield (as defined herein) plus 10 basis points, plus accrued interest to the date of redemption. Each series of Debentures will be represented by one Global Debenture registered in the name of a nominee of The Depository Trust Company, as depositary (the "Depositary"). Beneficial interests in the Debentures will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary and its participants. Except as described in the Offering Circular, Debentures in definitive certificated form will not be issued. See "Description of the Notes — Book-Entry System" in the Offering Circular.

THE DEBENTURES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OF 1933, AS MENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND ARE BEING OFFERED PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION.

DEBENTURES DUE 2096 - PRICE 99.587% AND ACCRUED INTEREST
DEBENTURES DUE 2026 - PRICE 99.325% AND ACCRUED INTEREST

	Price to Public(1)	Underwriting Discounts and Commissions(2)	Proceeds to Institute(1)(3)
Per Debenture Due 2096	99.587%	1.125%	98.462%
Total	$74,690,250	$843,750	$73,846,500
Per Debenture Due 2026	99.325%	.875%	98.450%
Total	$49,662,500	$437,500	$49,225,000

(1) Plus accrued interest from November 1, 1996.
(2) The Institute has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act.
(3) Before deduction of expenses payable by the Institute estimated at $65,000.

The Debentures are offered by the Underwriters named herein, subject to prior sale, when, as and if accepted by the Underwriters and subject to approval of certain legal matters by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., counsel for the Institute, and Davis Polk & Wardwell, counsel for the Underwriters. It is expected that delivery of the Debentures will be made on or about November 5, 1996 through the book-entry facilities of the Depositary against payment therefor in immediately available funds.

MORGAN STANLEY & CO.
Incorporated

BT SECURITIES CORPORATION

October 31, 1996

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE DEBENTURES OFFERED HEREBY AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

USE OF PROCEEDS

The proceeds of the Debentures will be used to refinance the construction cost of the Institute's Cogeneration facility and to finance various capital projects and equipment purchases. Such refinancing will involve repayment of certain existing indebtedness of the Institution in the amount of $47,000,000.

DESCRIPTION OF THE DEBENTURES

The Debentures will be issued under an Issuing and Paying Agency Agreement dated as of May 8, 1996 (the "IPAA") between the Institute and State Street Bank and Trust Company (the "Paying Agent"). Provisions of the IPAA are more fully described under "Description of the Notes" in the attached Offering Circular to which reference is hereby made.

The Debentures Due 2096 will mature on November 2, 2096. The Debentures Due 2026 will mature on November 2, 2026. Interest on the Debentures will accrue from November 1, 1996 and will be payable semiannually on each May 1 and November 1, beginning May 1, 1997, to the persons in whose names the Debentures are registered at the close of business on the April 15 or October 15 prior to the payment date at the applicable annual rate set forth on the cover page of this Pricing Supplement.

The principal of, and interest on, the Debentures are to be payable at the office of the Paying Agent in New York, New York.

The Debentures will be subject to defeasance and covenant defeasance as provided in the attached Offering Circular.

The Debentures will be redeemable as a whole or in part, at the option of the Institute at any time, at a redemption price equal to the greater of (i) 100% of their principal amount or (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield plus 10 basis points, plus accrued interest to the date of redemption.

"Treasury Yield" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Debentures that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Debentures. "Independent Investment Banker" means Morgan Stanley & Co. Incorporated or, if such firm is unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing appointed by the Paying Agent.

"Comparable Treasury Price" means, with respect to any redemption date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (ii) if such release (or any successor release) is not published or does not contain such prices on such business day, the average of the Reference Treasury Dealer Quotations for such redemption date. "Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Paying Agent, of the bid and asked prices of the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Paying Agent by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such redemption date.

"Reference Treasury Dealer" means Morgan Stanley & Co. Incorporated and BT Securities Corporation and their respective successors and any other primary U.S. Government securities dealer in New York City appointed by the Institute.

Holder of Debentures to be redeemed will receive notice thereof by first-class mail at least 30 and not more than 60 days prior to the date fixed for redemption.

UNDERWRITING

Under the terms of and subject to the conditions contained in the Distribution Agreement dated May 8, 1996 and the Terms Agreement dated October 31, 1996, the Underwriters named below have agreed to purchase from the Institute, and the Institute has agreed to sell to them, the respective principal amounts of each series of the Debentures set forth below.

Underwriters	Debentures Due 2096	Debentures Due 2026
Morgan Stanley & Co. Incorporated	$ 37,500,000	$ 25,000,000
BT Securities Corporation	37,500,000	25,000,000
Total	$ 75,000,000	$ 50,000,000

The Distribution Agreement provides that the obligation of each Underwriter thereunder is subject to approval of certain legal matters by counsel and to various other conditions. The nature of each Underwriter's obligation is such that it is committed to take and pay for all of the Debentures of a series if any are taken.

The Underwriters propose to offer the Debentures in part directly to the public at the applicable public offering price set forth on the cover page of this Pricing Supplement and in part to certain dealers at such prices less concessions not in excess of .625% of their principal amount in the case of the Debentures Due 2096 and .500% of their principal amount in the case of the Debentures Due 2026. The Underwriters may allow, and such dealers may reallow to certain other dealers, concessions not in excess of .375% of their principal amount in the case of the Debentures Due 2096 and .250% of their principal amount in the case of the Debentures Due 2026. After the initial public offering of the Debentures, the offering prices and other selling terms may from time to time be changed by the Underwriters.

The Institute has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act.

The Debentures are new series of securities with no established trading market. The Institute does not intend to apply for listing of either series of the Debentures on a national securities exchange. The Institute has been advised by the Underwriters that they presently intend to make a market in both series of the Debentures but are not obligated to do so and may discontinue market making as to either or both series at any time without notice. No assurance can be given as to the liquidity of the trading market for either series of the Debentures.