

GENERAL AMERICAN INVESTORS COMPANY, INC.

450 LEXINGTON AVENUE · NEW YORK · N.Y. 10017 · (212)916-8400

January 28, 2001

**FEDERAL INCOME TAX INFORMATION
Regarding Dividends Paid in 2000***To the Common and Preferred Stockholders:*

Dividends paid during 2000 by General American Investors Company, Inc. on shares of its Common and Preferred Stock should be reported for Federal income tax purposes as follows:

<u>Record Date</u>	<u>Payment Date</u>	<u>Total</u>	<u>Amount Per Share</u>	
			<u>Ordinary Dividends (Dividend Income)</u>	<u>Capital Gain Distributions (20% Rate Gain)</u>
<u>Common Stock:</u>				
January 24, 2000	March 7, 2000	\$1.97	\$.33	\$1.64*
November 13, 2000	December 21, 2000	\$6.11	\$1.97	\$4.14*
<u>Preferred Stock:</u>				
March 3, 2000	March 23, 2000	\$.45	\$.1281	\$.3219*
June 6, 2000	June 23, 2000	\$.45	\$.1281	\$.3219*
September 6, 2000	September 25, 2000	\$.45	\$.1281	\$.3219*
December 6, 2000	December 26, 2000	\$.45	\$.1281	\$.3219*

(a) Designated as a "Capital Gain Dividend."

Under the Internal Revenue Code, the Ordinary Dividend paid to Common Stockholders on March 7, 2000 (\$.33 per share) does not qualify for the dividend received deduction allowed *corporations*. All other Ordinary Dividends paid during 2000 qualify to the extent of 10.4% for the dividend received deduction allowed *corporations*.

Dividends paid on shares of Common Stock are taxable as indicated above whether the stockholder chose to receive them in additional shares of stock or in cash. For stockholders who received additional shares in payment of the March dividend, the cost basis is \$36.8125 per share and the holding period for such stock began on March 7, 2000. For stockholders who received additional shares in payment of the December dividends, the cost basis is \$36.40625 per share and the holding period for such stock began on December 21, 2000.

We are not permitted to provide tax advice. For further assistance, we suggest that you contact your tax adviser.

(During 2000, the Company made no investment in direct obligations of the U.S. Government.)

WE SUGGEST THAT YOU KEEP THIS NOTICE FOR USE IN PREPARING YOUR FEDERAL TAX RETURN FOR 2000.

EUGENE L. DESTAEBLER, JR.
Vice-President, Administration