GENERAL AMERICAN INVESTORS COMPANY, INC.
450 LEXINGTON AVENUE · NEW YORK · N.Y. 10017 · (212)916-8400

January 30, 2004

FEDERAL INCOME TAX INFORMATION
Regarding Dividends Paid in 2003

To the Common and Preferred Stockholders:

Dividends paid during 2003 by General American Investors Company, Inc. on shares of its Common and Preferred Stock should be reported for Federal income tax purposes as follows:

		Amount Per Share		
			Portion Taxable as	
Record Date	Payment Date	Total	Ordinary Dividends	Capital Gain Distributions
Common Stock:				
January 27, 2003	February 10, 2003	$.04	$.01 (a)	$.03 (b) (c)
November 14, 2003	December 23, 2003	$.50	$.00761 (d)	$.49239 (b) (e)
Preferred Stock:				
March 6, 2003	March 24, 2003	$.45	$.01485 (d)	$.43515 (b) (e)
June 6, 2003	June 23, 2003	$.45	$.01485 (d)	$.43515 (b) (e)
September 8, 2003	September 23, 2003	$.45	$.01485 (d)	$.43515 (b) (e)
December 8, 2003	December 24, 2003	$.371875	$.012272 (d)	$.359603 (b) (e)

(a) Ordinary dividends.
(b) Designated as a "Capital Gain Dividend."
(c) Qualified 5-year gain. For individual taxpayers in the 10% bracket for long-term capital gain, 100% of this Capital Gain Distribution is subject to an 8% long-term capital gain rate, resulting from gains on securities held more than 5 years.
(d) Qualified dividends.
(e) Post-May 5 capital gain distributions.

Under the Internal Revenue Code, the Ordinary Dividend paid to Common Stockholders on February 10, 2003 qualifies to the extent of 55.4% for the dividend received deduction allowed *corporations*. All other Ordinary Dividends paid during 2003 qualify to the extent of 64.9% for the dividend received deduction allowed corporations.

During 2003, 9.3% of the Company's income was derived from interest received on U.S. Government obligations.

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 December dividends, the cost basis is $29.07 per share and the holding period for such stock began on December 23, 2003.

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

WE SUGGEST THAT YOU KEEP THIS NOTICE AND THE ACCOMPANYING FORM 1099-DIV FOR USE IN PREPARING YOUR FEDERAL TAX RETURN FOR 2003.

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