

**GENERAL AMERICAN INVESTORS COMPANY, INC.**

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

January 19, 2007

**FEDERAL INCOME TAX INFORMATION**  
**Regarding Dividends and Distributions Paid and Taxable in 2006***To the Common and Preferred Stockholders:*

Dividends and distributions paid and taxable during 2006 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</u>	<u>Qualified Dividends (a)</u>	<u>Capital Gain Distributions (b)</u>
<i>Common Stock:</i>					
January 30, 2006	February 13, 2006	\$0.138000	\$0.000000	\$0.000000	\$0.138000
November 10, 2006	December 21, 2006	\$3.000000	\$0.333952	\$0.333952	\$2.666048
<i>Preferred Stock:</i>					
March 7, 2006	March 24, 2006	\$0.371875	\$0.039403	\$0.039403	\$0.332472
June 7, 2006	June 26, 2006	\$0.371875	\$0.039403	\$0.039403	\$0.332472
September 7, 2006	September 25, 2006	\$0.371875	\$0.039403	\$0.039403	\$0.332472
December 7, 2006	December 26, 2006	\$0.371875	\$0.039403	\$0.039403	\$0.332472

- (a) A subset of Ordinary Dividends.  
(b Designated as a "Capital Gain Dividend."  
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The Ordinary Dividends paid to Preferred Stockholders during 2006 and to Common Stockholders on December 21, 2006 qualify to the extent of 47.9% for the dividend received deduction allowed corporations.

Dividends and distributions 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 distribution, the cost basis is \$36.75 per share and the holding period for such stock began on December 21, 2006.

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

During 2006, the Company made no investment in direct obligations of the U.S. Government.

WE SUGGEST THAT YOU KEEP THIS NOTICE AND THE ACCOMPANYING FORM 1099-DIV FOR USE IN PREPARING YOUR FEDERAL TAX RETURN FOR 2006.

DIANE G. RADOSTI  
*Treasurer*