

TO THE STOCKHOLDERS

For the nine months ended September 30, 2005, the investment return to our stockholders was 12.2% (assuming reinvestment of all dividends). The net asset value per Common Share increased 13.3%. By comparison, the rate of return (including income) for our benchmark, the Standard & Poor's 500 Stock Index, was 2.8%. For the twelve months ended September 30, 2005, the return to our stockholders was 22.5% and the return on the net asset value per Common Share was 24.1%; these compare with a return of 12.2% for the S&P 500. During each period, the discount at which our shares traded fluctuated moderately and at September 30, 2005, it was 12.7%.

As set forth in the accompanying financial statements (unaudited), as of September 30, 2005, the net assets applicable to the Company's Common Stock were \$1,134,420,111, equal to \$39.88 per Common Share.

The increase in net assets resulting from operations for the nine months ended September 30, 2005 was \$130,410,906. During this period, the net realized gain on securities sold was \$45,854,133 and the increase in net unrealized appreciation was \$88,862,042. Net investment income for the nine months was \$4,619,731 and distributions to Preferred Stockholders amounted to \$8,925,000.

During the nine months, 908,304 shares of the Company's Common Stock were repurchased for \$28,990,534 at an average discount from net asset value of 12.7%.

Our portfolio continued to rise in value in the quarter just ended. The pace of gain accelerated as did attendant realized capital gains. Consistent with recent results, performance was buoyed by the ownership of commodity based securities - notably those related to the oil and natural gas industries.

While natural disasters may now join rising interest rates and emergent inflation as factors restraining growth, the outlook is not entirely without grounds for optimism. By historic standards, interest rates are reasonable, corporate liquidity remains robust and reconstruction spending is likely to prolong the current economic expansion.

The information about the Company, including our investment objective, operating policies and procedures, investment results, record of dividend payments, financial reports and press releases, is contained on our website and has been updated through September 30, 2005. It can be accessed on the internet at www.generalamericaninvestors.com.

By Order of the Board of Directors,

GENERAL AMERICAN INVESTORS COMPANY, INC.

Spencer Davidson
President and Chief Executive Officer

October 12, 2005

STATEMENT OF ASSETS AND LIABILITIES September 30, 2005 (Unaudited)

General American Investors

ASSETS

INVESTMENTS, AT VALUE (NOTE 1a)		
Common stocks (cost \$731,462,235)		\$1,296,977,226
Corporate note (cost \$32,960,009)		32,637,500
Money market fund (cost \$4,405,559)		4,405,559
Total investments (cost \$768,827,803)		1,334,020,285

RECEIVABLES AND OTHER ASSETS

Cash	\$34,198	
Receivable for securities sold	2,945,881	
Deposit with broker for options written	196,208	
Dividends, interest and other receivables	1,936,337	
Prepaid pension cost	7,655,576	
Prepaid expenses and other assets	235,774	13,003,974

TOTAL ASSETS 1,347,024,259

LIABILITIES

Payable for securities purchased	2,357,082	
Preferred dividend accrued but not yet declared	231,389	
Outstanding options written, at value (premiums received \$196,208) (note 1a)	516,840	
Accrued pension expense	5,437,462	
Accrued expenses and other liabilities	4,061,375	

TOTAL LIABILITIES 12,604,148

5.95% CUMULATIVE PREFERRED STOCK, SERIES B -
 8,000,000 shares at a liquidation value of \$25 per share (note 2) 200,000,000

NET ASSETS APPLICABLE TO COMMON STOCK - 28,445,495 shares (note 2) \$1,134,420,111

NET ASSET VALUE PER COMMON SHARE \$39.88

NET ASSETS APPLICABLE TO COMMON STOCK

Common Stock, 28,445,495 shares at par value (note 2)	\$28,445,495	
Additional paid-in capital (note 2)	498,412,785	
Undistributed realized gain on investments	45,822,227	
Undistributed net investment income	6,024,143	
Unallocated distributions on Preferred Stock	(9,156,389)	
Unrealized appreciation on investments and written options	564,871,850	

NET ASSETS APPLICABLE TO COMMON STOCK \$1,134,420,111

(see notes to financial statements)

STATEMENT OF OPERATIONS Nine Months Ended September 30, 2005 (Unaudited)

General American Investors

INCOME		
Dividends (net of foreign withholding taxes of \$327,859)	\$12,558,832	
Interest	<u>1,483,675</u>	\$14,042,507
EXPENSES		
Investment research	5,791,678	
Administration and operations	2,609,360	
Office space and general	395,079	
Directors' fees and expenses	154,251	
Transfer agent, custodian and registrar fees and expenses	141,457	
Auditing and legal fees	128,700	
Stockholders' meeting and reports	127,252	
Miscellaneous taxes	<u>74,999</u>	<u>9,422,776</u>
NET INVESTMENT INCOME		4,619,731
REALIZED GAIN (LOSS) AND CHANGE IN UNREALIZED APPRECIATION ON INVESTMENTS (NOTES 1f AND 4)		
Net realized gain on investments:		
Long transactions	46,356,457	
Short sale transaction (note 1b)	(755,114)	
Written option transactions (note 1c)	<u>252,790</u>	
Net realized gain on investments (long-term, except for \$14,958,972)	45,854,133	
Net increase in unrealized appreciation	<u>88,862,042</u>	
NET GAIN ON INVESTMENTS		134,716,175
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS		<u>(8,925,000)</u>
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		<u><u>\$130,410,906</u></u>

(see notes to financial statements)

STATEMENT OF CHANGES IN NET ASSETS

General American Investors

	Nine Months Ended September 30, 2005 (Unaudited)	Year Ended December 31, 2004
OPERATIONS		
Net investment income	\$4,619,731	\$9,253,481
Net realized gain on investments	45,854,133	36,774,029
Net increase in unrealized appreciation	<u>88,862,042</u>	<u>62,361,773</u>
Distributions to Preferred Stockholders:		
From net investment income	—	(2,686,304)
From long-term capital gains	—	(9,213,696)
Unallocated distributions on Preferred Stock	<u>(8,925,000)</u>	<u>—</u>
Decrease in net assets from Preferred Stock distributions	<u>(8,925,000)</u>	<u>(11,900,000)</u>
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>130,410,906</u>	<u>96,489,283</u>
DISTRIBUTIONS TO COMMON STOCKHOLDERS		
From net investment income	(58,303)	(6,602,940)
From long-term capital gains	<u>(7,929,239)</u>	<u>(22,647,281)</u>
DECREASE IN NET ASSETS FROM COMMON DISTRIBUTIONS	<u>(7,987,542)</u>	<u>(29,250,221)</u>
CAPITAL SHARE TRANSACTIONS (NOTE 2)		
Value of Common Shares issued in payment of distributions	4,594,188	15,781,952
Cost of Common Shares purchased	<u>(28,990,534)</u>	<u>(32,963,032)</u>
DECREASE IN NET ASSETS - CAPITAL TRANSACTIONS	<u>(24,396,346)</u>	<u>(17,181,080)</u>
NET INCREASE IN NET ASSETS	98,027,018	50,057,982
NET ASSETS APPLICABLE TO COMMON STOCK		
BEGINNING OF PERIOD	<u>1,036,393,093</u>	<u>986,335,111</u>
END OF PERIOD (including undistributed net investment income of \$6,024,143 and \$1,462,715, respectively)	<u>\$1,134,420,111</u>	<u>\$1,036,393,093</u>
(see notes to financial statements)		

FINANCIAL HIGHLIGHTS

General American Investors

The following table shows per share operating performance data, total investment return, ratios and supplemental data for the nine months ended September 30, 2005 and for each year in the five-year period ended December 31, 2004. This information has been derived from information contained in the financial statements and market price data for the Company's shares.

	Nine Months Ended September 30, 2005 (Unaudited)	Year Ended December 31,				
		2004	2003	2002	2001	2000
PER SHARE OPERATING PERFORMANCE						
Net asset value, beginning of period	\$35.49	\$33.11	\$26.48	\$35.14	\$39.91	\$41.74
Net investment income	.16	.32	.03	.19	.41	.53
Net gain (loss) on securities - realized and unrealized	4.81	3.48	7.72	(7.88)	(.66)	6.12
Distributions on Preferred Stock:						
Dividends from net investment income	—	(.09)	(.01)	(.12)	(.07) (a)	(.11) (b)
Distributions from capital gains	—	(.32)	(.35)	(.23)	(.29)	(.29)
Unallocated	(.31)	—	—	—	—	—
	(.31)	(.41)	(.36)	(.35)	(.36)	(.40)
Total from investment operations	4.66	3.39	7.39	(8.04)	(.61)	6.25
Less distributions on Common Stock:						
Dividends from net investment income	—	(.23)	(.02)	(.21) (c)	(.88) (d)	(2.30) (e)
Distributions from capital gains	(.27)	(.78)	(.52)	(.41)	(3.28)	(5.78)
	(.27)	(1.01)	(.54)	(.62)	(4.16)	(8.08)
Capital Stock transaction - effect of Preferred Stock offering	—	—	(.22)	—	—	—
Net asset value, end of period	\$39.88	\$35.49	\$33.11	\$26.48	\$35.14	\$39.91
Per share market value, end of period	\$34.83	\$31.32	\$29.73	\$23.85	\$33.47	\$36.00
TOTAL INVESTMENT RETURN - Stockholder						
return, based on market price per share	12.20%*	8.79%	27.01%	(27.21)%	4.33%	19.10%
RATIOS AND SUPPLEMENTAL DATA						
Net assets applicable to Common Stock, end of period (000's omitted)	\$1,134,420	\$1,036,393	\$986,335	\$809,192	\$1,097,530	\$1,155,039
Ratio of expenses to average net assets applicable to Common Stock	1.19%**	1.15%	1.23%	0.92%	0.97%	1.05%
Ratio of net investment income to average net assets applicable to Common Stock	0.59%**	0.94%	0.13%	0.61%	1.15%	1.24%
Portfolio turnover rate	16.00%*	16.71%	18.62%	22.67%	23.81%	40.61%
PREFERRED STOCK						
Liquidation value, end of period (000's omitted)	\$200,000	\$200,000	\$200,000	\$150,000	\$150,000	\$150,000
Asset coverage	667%	618%	593%	639%	832%	870%
Liquidation preference per share	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Market value per share	\$24.87	\$24.97	\$25.04	\$25.85	\$25.90	\$24.25

(a) Includes short-term capital gain in the amount of \$.04 per share.

(b) Includes short-term capital gain in the amount of \$.09 per share.

(c) Includes short-term capital gain in the amount of \$.19 per share.

(d) Includes short-term capital gain in the amount of \$.51 per share.

(e) Includes short-term capital gain in the amount of \$1.82 per share.

*Not annualized

**Annualized

STATEMENT OF INVESTMENTS September 30, 2005 (Unaudited)

General American Investors

Shares	COMMON STOCKS	Value (note 1a)
BUILDING AND REAL ESTATE (5.3%)		
1,143,041	CEMEX, S.A. de C.V. ADR	(COST \$30,440,830) <u>\$59,781,044</u>
COMMUNICATIONS AND INFORMATION SERVICES (6.1%)		
675,000	American Tower Corporation (a)	16,841,250
550,000	CIENA Corporation (a)	1,452,000
900,000	Cisco Systems, Inc. (a)	16,128,000
350,000	Lamar Advertising Company Class A (a)	15,872,500
4,600,000	Telecom Corporation of New Zealand Limited	19,182,000
		(COST \$62,390,544) <u>69,475,750</u>
COMPUTER SOFTWARE AND SYSTEMS (4.1%)		
300,000	EMC Corporation (a)	3,882,000
1,525,000	Microsoft Corporation	39,238,250
133,500	VeriSign, Inc. (a)	2,852,895
		(COST \$45,174,564) <u>45,973,145</u>
CONSUMER PRODUCTS AND SERVICES (3.4%)		
350,000	Diageo plc	20,303,500
275,000	Ethan Allen Interiors Inc.	8,621,250
175,000	PepsiCo, Inc.	9,924,250
		(COST \$29,609,424) <u>38,849,000</u>
ELECTRONICS (1.2%)		
550,000	Molex Incorporated Class A	(COST \$12,287,441) <u>14,140,500</u>
ENVIRONMENTAL CONTROL (INCLUDING SERVICES) (3.6%)		
1,175,000	Republic Services, Inc.	(COST \$26,227,380) <u>41,465,750</u>
FINANCE AND INSURANCE (25.8%)		
BANKING (8.3%)		
315,000	Bank of America Corporation	13,261,500
585,000	Golden West Financial Corporation	34,743,150
310,000	M&T Bank Corporation	32,770,100
200,000	SunTrust Banks, Inc.	13,890,000
		(COST \$19,447,242) <u>94,664,750</u>
INSURANCE (16.0%)		
350,000	American International Group, Inc.	21,686,000
500,000	Annuity and Life Re (Holdings), Ltd. (a)	560,000
350,000	Arch Capital Group Ltd. (a)	17,356,500
300	Berkshire Hathaway Inc. Class A (a)	24,600,000
550,000	Everest Re Group, Ltd.	53,845,000
285,000	MetLife, Inc.	14,201,550
400,000	PartnerRe Ltd.	25,620,000
200,000	Reinsurance Group of America, Incorporated	8,940,000
250,000	Transatlantic Holdings, Inc.	14,250,000
		(COST \$72,953,060) <u>181,059,050</u>
OTHER (1.5%)		
675,000	Annaly Mortgage Management, Inc.	8,741,250
95,194	Central Securities Corporation	2,414,120
925,000	MFA Mortgage Investments, Inc.	5,670,250
		(COST \$18,670,863) <u>16,825,620</u>
		(COST \$111,071,165) <u>292,549,420</u>

STATEMENT OF INVESTMENTS September 30, 2005 (Unaudited) - continued

General American Investors

Shares	COMMON STOCKS (continued)	Value (note 1a)
HEALTH CARE (10.4%)		
PHARMACEUTICALS (8.3%)		
265,000	Alkermes, Inc. (a)	\$4,452,000
180,000	Biogen Idec Inc. (a)	7,106,400
550,000	Cytokinetics, Incorporated (a)	4,477,000
365,000	Genentech, Inc. (a)	30,736,650
400,000	MedImmune, Inc. (a)	13,460,000
120,000	Millennium Pharmaceuticals, Inc. (a)	1,119,600
1,300,000	Pfizer Inc	32,461,000
	(COST \$55,362,059)	<u>93,812,650</u>
MEDICAL INSTRUMENTS AND DEVICES (2.1%)		
450,000	Medtronic, Inc.	(COST \$10,483,716)
		<u>24,129,000</u>
		(COST \$65,845,775)
		<u>117,941,650</u>
MISCELLANEOUS (2.9%)		
	Other (b)	(COST \$31,404,835)
		<u>32,768,000</u>
OIL & NATURAL GAS (INCLUDING SERVICES) (31.4%)		
665,000	Apache Corporation	50,021,300
1,340,000	Devon Energy Corporation	91,977,600
600,000	EOG Resources, Inc.	44,940,000
440,000	Halliburton Company	30,148,800
750,000	Patterson-UTI Energy, Inc.	27,060,000
791,300	Talisman Energy Inc.	38,647,092
330,000	Total S.A. ADR	44,820,600
425,000	Weatherford International Ltd.	29,180,500
		(COST \$192,474,120)
		<u>356,795,892</u>
RETAIL TRADE (17.1%)		
700,000	Costco Wholesale Corporation	30,163,000
750,000	Dollar General Corporation	13,755,000
1,920,000	The Home Depot, Inc. (c)	73,228,800
2,500,000	The TJX Companies, Inc.	51,200,000
575,000	Wal-Mart Stores, Inc.	25,196,500
		(COST \$82,946,439)
		<u>193,543,300</u>
SEMICONDUCTORS (0.7%)		
491,500	Brooks Automation, Inc. (a)	6,551,695
197,000	EMCORE Corporation (a)	1,205,640
		(COST \$9,890,144)
		<u>7,757,335</u>
SPECIAL HOLDINGS (a) (d) (NOTE 5) (0.0%)		
144,000	Silicon Genesis Corporation	1,440
546,000	Standard MEMS, Inc. Series A Convertible Preferred	—
		(COST \$6,009,720)
		<u>1,440 (e)</u>
TECHNOLOGY (2.3%)		
1,900,000	Xerox Corporation (a)	(COST \$25,689,854)
		<u>25,935,000</u>
	TOTAL COMMON STOCKS (114.3%)	(COST \$731,462,235)
		<u>1,296,977,226</u>
Principal Amount	CORPORATE NOTE	
CONSUMER PRODUCTS AND SERVICES (2.9%)		
\$35,000,000	General Motors Nova Scotia Finance Company 6.85% Guaranteed due 10/15/08	(COST \$32,960,009)
		<u>32,637,500</u>

STATEMENT OF INVESTMENTS September 30, 2005 (Unaudited) - continued

General American Investors

Shares	SHORT-TERM SECURITY AND OTHER ASSETS	Value (note 1a)
4,405,559	SSgA Prime Money Market Fund (0.4%) (COST \$4,405,559)	\$4,405,559
TOTAL INVESTMENTS (f) (117.6%) (COST \$768,827,803)		1,334,020,285
Cash, receivables and other assets less liabilities (0.0%)		399,826
PREFERRED STOCK (-17.6%)		<u>(200,000,000)</u>
NET ASSETS APPLICABLE TO COMMON STOCK (100%)		<u>\$1,134,420,111</u>

- (a) Non-income producing security.
 (b) Securities which have been held for less than one year, not previously disclosed and not restricted.
 (c) 1,000,000 shares held by custodian in a segregated account as collateral for open short positions.
 (d) Restricted security.
 (e) Fair value of each holding in the opinion of the directors.
 (f) At September 30, 2005: (1) the cost of investments for Federal income tax purposes was the same as the cost for financial reporting purposes,
 (2) aggregate gross unrealized appreciation was \$596,380,917, (3) aggregate gross unrealized depreciation was \$31,188,435, and
 (4) net unrealized appreciation was \$565,192,482.

STATEMENT OF CALL OPTIONS WRITTEN September 30, 2005 (Unaudited)

General American Investors

Contracts (100 shares each)	COMMON STOCK/EXPIRATION DATE/EXERCISE PRICE	Value (note 1a)
OIL AND NATURAL GAS (INCLUDING SERVICES)		
267	Devon Energy Corporation/January '06/\$55.00	\$405,840
100	Devon Energy Corporation/January '06/\$60.00	111,000
TOTAL OPTIONS (PREMIUMS RECEIVED \$196,208)		<u>\$516,840</u>

(see notes to financial statements)

PORTFOLIO DIVERSIFICATION September 30, 2005 (Unaudited)

General American Investors

The diversification of the Company's net assets applicable to its Common Stock by industry group as of September 30, 2005 and 2004 is shown in the following table.

INDUSTRY CATEGORY	SEPTEMBER 30, 2005		PERCENT COMMON NET ASSETS* SEPTEMBER 30	
	COST(000)	VALUE(000)	2005	2004
Oil and Natural Gas (Including Services)	\$192,474	\$356,796	31.4%	13.8%
Finance and Insurance				
Banking	19,447	94,665	8.3	10.2
Insurance	72,953	181,059	16.0	18.4
Other	18,671	16,826	1.5	2.4
	<u>111,071</u>	<u>292,550</u>	<u>25.8</u>	<u>31.0</u>
Retail Trade	82,946	193,543	17.1	20.3
Health Care				
Pharmaceuticals	55,362	93,813	8.3	14.4
Medical Instruments and Devices	10,484	24,129	2.1	2.4
	<u>65,846</u>	<u>117,942</u>	<u>10.4</u>	<u>16.8</u>
Consumer Products and Services	62,569	71,486	6.3	3.6
Communications and Information Services	62,391	69,476	6.1	7.6
Building and Real Estate	30,441	59,781	5.3	2.8
Computer Software and Systems	45,175	45,973	4.1	5.9
Environmental Control (Including Services)	26,227	41,466	3.6	3.6
Miscellaneous**	31,405	32,768	2.9	0.9
Technology	25,690	25,935	2.3	0.0
Electronics	12,287	14,140	1.2	1.9
Semiconductors	9,890	7,757	0.7	0.8
Special Holdings	6,010	1	0.0	0.2
	<u>764,422</u>	<u>1,329,614</u>	<u>117.2</u>	<u>109.2</u>
Short-Term Securities	4,406	4,406	0.4	11.9
Total Investments	<u>\$768,828</u>	<u>1,334,020</u>	<u>117.6</u>	<u>121.1</u>
Other Assets and Liabilities - Net		400	0.0	(0.3)
Preferred Stock		<u>(200,000)</u>	<u>(17.6)</u>	<u>(20.8)</u>
Net Assets Applicable to Common Stock		<u>\$1,134,420</u>	<u>100.0%</u>	<u>100.0%</u>

* Net Assets applicable to the Company's Common Stock.

** Securities which have been held for less than one year, not previously disclosed and not restricted.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

General American Investors

1. **SIGNIFICANT ACCOUNTING POLICIES** - General American Investors Company, Inc. (the "Company"), established in 1927, is registered under the Investment Company Act of 1940 as a closed-end, diversified management investment company. It is internally managed by its officers under the direction of the Board of Directors.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

a. **SECURITY VALUATION** Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the period. Securities reported on the NASDAQ national market are valued at the official closing price on that day. Listed and NASDAQ securities for which no sales are reported on that day and other securities traded in the over-the-counter market are valued at the last bid price (asked price for written options) on the valuation date. Securities traded primarily in foreign markets are generally valued at the preceding closing price of such securities on their respective exchanges or markets. If, after the close of the foreign market, conditions change significantly, the price of certain foreign securities may be adjusted to reflect fair value as of the time of the valuation of the portfolio. Investments in money market funds are valued at their net asset value. Special holdings (restricted securities) and other securities for which quotations are not readily available are valued at fair value determined in good faith pursuant to procedures established by and under the general supervision of the Board of Directors.

b. **SHORT SALES** The Company may make short sales of securities for either speculative or hedging purposes. When the Company makes a short sale, it borrows the securities sold short from a broker; in addition, the Company places cash with that broker and securities in a segregated account with the custodian, both as collateral for the short position. The Company may be required to pay a fee to borrow the securities and may also be obligated to pay any dividends declared on the borrowed securities. The Company will realize a gain if the security price decreases and a loss if the security price increases between the date of the short sale and the date on which the Company replaces the borrowed securities.

c. **OPTIONS** The Company may purchase and write (sell) put and call options. The risk associated with purchasing an option is that the Company pays a premium whether or not the option is exercised. Additionally, the Company bears the risk of loss of the premium and a change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. Premiums received from writing options that expire unexercised are treated by the Company on the expiration date as realized gains from investments. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the Company has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis for the securities purchased by the Company. The Company as writer of an option bears the market risk of an unfavorable change in the price of the security underlying the written option.

d. **FEDERAL INCOME TAXES** The Company's policy is to fulfill the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all taxable income to its stockholders. Accordingly, no provision for Federal income taxes is required.

e. **INDEMNIFICATIONS** In the ordinary course of business, the Company enters into contracts that contain a variety of indemnifications. The Company's maximum exposure under these arrangements is unknown. However, the Company has not had prior claims or losses pursuant to these indemnification provisions and expects the risk of loss thereunder to be remote.

f. **OTHER** As customary in the investment company industry, securities transactions are recorded as of the trade date. Dividend income and distributions to stockholders are recorded as of the ex-dividend dates. Interest income, adjusted for amortization of discount and premium on investments, is earned from settlement date and is recognized on the accrual basis. Cost of short-term investments represents amortized cost.

2. **CAPITAL STOCK AND DIVIDEND DISTRIBUTIONS** - The authorized capital stock of the Company consists of 50,000,000 shares of Common Stock, \$1.00 par value, and 10,000,000 shares of Preferred Stock, \$1.00 par value, of which 28,445,495 shares and 8,000,000 shares, respectively, were outstanding at September 30, 2005.

On September 24, 2003, the Company issued and sold 8,000,000 shares of its 5.95% Cumulative Preferred Stock, Series B in an underwritten offering. The Preferred Shares are noncallable for 5 years and have a liquidation preference of \$25.00 per share plus an amount equal to accumulated and unpaid dividends to the date of redemption. The underwriting discount and other expenses associated with the Preferred Stock offering amounted to \$6,700,000 and were charged to paid-in capital.

The Company is required to allocate distributions from long-term capital gains and other types of income proportionately among holders of shares of Common Stock and Preferred Stock. To the extent that dividends on the shares of Preferred Stock are not paid from long-term capital gains, they will be paid from ordinary income or net short-term capital gains or will represent a return of capital.

Under the Investment Company Act of 1940, the Company is required to maintain an asset coverage of at least 200% for the Preferred Stock. In addition, pursuant to the Rating Agency Guidelines, the Company is required to maintain a certain discounted asset coverage for its portfolio that equals or exceeds the Basic Maintenance Amount under the guidelines established by Moody's Investors Service, Inc. The Company has met these requirements since the issuance of the Preferred Stock. If the Company fails to meet these requirements in the future and does not cure such failure, the Company may be required to redeem, in whole or in part, shares of Preferred Stock at a redemption price of \$25.00 per share plus accumulated and unpaid dividends (whether or not earned or declared). In addition, the Company's failure to meet the foregoing asset coverage requirements could restrict its ability to pay dividends on shares of Common Stock and could lead to sales of portfolio securities at inopportune times.

The holders of Preferred Stock have voting rights equivalent to those of the holders of Common Stock (one vote per share) and, generally, vote together with the holders of Common Stock as a single class.

At all times, holders of Preferred Stock will elect two members of the Company's Board of Directors and the holders of Preferred and Common Stock, voting as a single class, will elect the remaining directors. If the Company fails to pay dividends on the Preferred Stock in an amount equal to two full years' dividends, the holders of Preferred Stock will have the right to elect a majority of the directors. In addition, the Investment Company Act of 1940 requires that approval of the holders of a majority of any outstanding Preferred Shares, voting separately as a class, would be required to (a) adopt any plan of reorganization that would adversely affect the Preferred Stock and (b) take any action requiring a vote of security holders, including, among other things, changes in the Company's subclassification as a closed-end investment company or changes in its fundamental investment policies.

NOTES TO FINANCIAL STATEMENTS (Unaudited) - continued

General American Investors

2. CAPITAL STOCK AND DIVIDEND DISTRIBUTIONS - (Continued from bottom of previous page.)

The Company classifies its Preferred Stock pursuant to the requirements of EITF D-98, *Classification and Measurement of Redeemable Securities*, which require that preferred stock for which its redemption is outside of the company's control should be presented outside of net assets in the statement of assets and liabilities.

Transactions in Common Stock during the nine months ended September 30, 2005 and the year ended December 31, 2004 were as follows:

	<u>SHARES</u>		<u>AMOUNT</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Shares issued in payment of dividends (includes 148,487 and 508,849 shares issued from treasury, respectively)	148,487	508,849	\$148,487	\$508,849
Increase in paid-in capital			<u>4,445,701</u>	<u>15,273,103</u>
Total increase			<u>4,594,188</u>	<u>15,781,952</u>
Shares purchased (at an average discount from net asset value of 12.7% and 10.3%, respectively)	908,304	1,092,800	(908,304)	(1,092,800)
Decrease in paid-in capital			<u>(28,082,230)</u>	<u>(31,870,232)</u>
Total decrease			<u>(28,990,534)</u>	<u>(32,963,032)</u>
Net decrease			<u>(\$24,396,346)</u>	<u>(\$17,181,080)</u>

At September 30, 2005, the Company held in its treasury 2,786,068 shares of Common Stock with an aggregate cost in the amount of \$74,976,746. Distributions for tax and book purposes are substantially the same.

3. OFFICERS' COMPENSATION - The aggregate compensation paid by the Company during the nine months ended September 30, 2005 to its officers amounted to \$4,195,000.

4. PURCHASES AND SALES OF SECURITIES - Purchases and sales of securities and securities sold short (other than short-term securities and options) for the nine months ended September 30, 2005 amounted to \$210,072,304 and \$196,022,028 on long transactions, respectively, and \$3,825,799, with respect to short sale purchase transactions.

5. RESTRICTED SECURITIES

	<u>DATE</u>	<u>COST</u>	<u>VALUE</u>
	<u>ACQUIRED</u>		<u>(NOTE 1a)</u>
Silicon Genesis Corporation	2/16/01	\$3,006,720	\$1,440
Standard MEMS, Inc. Series A Convertible Preferred	12/17/99	3,003,000	—
Total		<u>\$6,009,720</u>	<u>\$1,440</u>

6. PENSION BENEFIT PLANS - The Company has funded (Qualified) and unfunded (Supplemental) noncontributory defined benefit pension plans that cover substantially all of its employees. The plans provide defined benefits based on years of service and final average salary with an offset for a portion of social security covered compensation. The components of the net periodic benefit cost of the plans for the nine months ended September 30, 2005 were:

Service cost	\$230,795
Interest cost	486,008
Expected return on plan assets	(808,452)
Amortization of:	
Prior service cost	28,255
Recognized net actuarial loss (gain)	<u>114,747</u>
Net periodic benefit cost (income)	<u>\$51,353</u>

The Company also has funded and unfunded contributory defined contribution thrift plans that cover substantially all employees. The aggregate cost of such plans for the nine months ended September 30, 2005 was \$584,382. The unfunded liability included in accrued expenses and other liabilities at September 30, 2005 was \$2,371,020.

7. OPERATING LEASE COMMITMENT - In July 1992, the Company entered into an operating lease agreement for office space which expires in 2007 and provides for future rental payments in the aggregate amount of approximately \$5.6 million. The lease agreement contains a clause whereby the Company received twenty months of free rent beginning in December 1992 and escalation clauses relating to operating costs and real property taxes.

Rental expense approximated \$243,000 for the nine months ended September 30, 2005. Minimum rental commitments under the operating lease are approximately \$505,000 per annum in 2005 through 2007.

In January 2003, the Company extended a sublease agreement (originally entered into in March 1996) which expires in 2007 and provides for future rental receipts. Minimum rental receipts under the sublease are approximately \$254,000 per annum in 2005 through 2007. The Company will also receive its proportionate share of operating expenses and real property taxes under the sublease.

MAJOR STOCK CHANGES* Three Months Ended September 30, 2005 (Unaudited)

General American Investors

INCREASES	SHARES OR PRINCIPAL AMOUNT	SHARES OR PRINCIPAL AMOUNT HELD SEPTEMBER 30, 2005
NEW POSITIONS		
General Motors Nova Scotia Finance Company 6.85% Guaranteed Note due 10/15/08	\$15,000,000	\$35,000,000 (a)
Weatherford International Ltd.	425,000	425,000
Xerox Corporation	1,900,000	1,900,000
ADDITIONS		
Annaly Mortgage Management, Inc.	425,000	675,000
Arch Capital Group Ltd.	10,000	350,000
Dollar General Corporation	250,000	750,000
MFA Mortgage Investments, Inc.	100,000	925,000
Patterson-UTI Energy, Inc.	100,000	750,000
PepsiCo, Inc.	25,000	175,000
Pfizer Inc	25,000	1,300,000
Talisman Energy Inc.	146,300	791,300
DECREASES		
ELIMINATIONS		
American Tower Corporation 9 3/8% Note due 2/01/09	\$678,000	—
Bristol-Myers Squibb Company	240,000	—
Genaera Corporation	270,000	—
Juniper Networks, Inc.	150,000	—
Montpelier Re Holdings Ltd.	110,000	—
NetIQ Corporation	323,000	—
Unocal Corporation	325,000	—
REDUCTIONS		
Alkermes, Inc.	75,000	265,000
Bank of America Corporation	10,000	315,000
Biogen Idec Inc.	20,000	180,000
Devon Energy Corporation	260,000	1,340,000
Everest Re Group, Ltd.	35,000	550,000
Halliburton Company	85,000	440,000
Lamar Advertising Company Class A	150,000	350,000
MedImmune, Inc.	55,000	400,000
MetLife, Inc.	80,000	285,000
Molex Incorporated Class A	165,000	550,000
PartnerRe Ltd.	25,000	400,000
Reinsurance Group of America, Incorporated	125,000	200,000
Transatlantic Holdings, Inc.	7,500	250,000
Wal-Mart Stores, Inc.	100,000	575,000

* Excludes transactions in Stocks - Miscellaneous - Other.

(a) Includes notes purchased in prior period and previously carried under Stocks - Miscellaneous - Other.

OTHER MATTERS (Unaudited)

General American Investors

In addition to purchases of the Company's Common Stock as set forth in Note 2 on page 10, purchases of Common Stock may be made at such times, at such prices, in such amounts and in such manner as the Board of Directors may deem advisable.

The policies and procedures used by the Company to determine how to vote proxies relating to portfolio securities and the Company's proxy voting record for the twelve-month period ended June 30, 2005 are available: (1) without charge, upon request, by calling us at our toll-free telephone number (1-800-436-8401), (2) on the Company's website at www.generalamericaninvestors.com and (3) on the Securities and Exchange Commission's website at www.sec.gov.

In addition to distributing financial statements as of the end of each quarter, General American Investors files a Quarterly Schedule of Portfolio Holdings (Form N-Q) with the Securities and Exchange Commission (SEC) as of the end of the first and third calendar quarters. The Company's Forms N-Q are available on the SEC's website: www.sec.gov. Also, Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. A copy of the Company's Form N-Q is available on the Company's website as shown above.

DIRECTORS

Lawrence B. Buitenwieser, *Chairman*
Arthur G. Altschul, Jr. Sidney R. Knafel
Lewis B. Cullman Richard R. Pivrotto
Spencer Davidson D. Ellen Shuman
Gerald M. Edelman Joseph T. Stewart, Jr.
John D. Gordan, III Raymond S. Troubh

William O. Baker, Director Emeritus
William T. Golden, Director Emeritus

OFFICERS

Spencer Davidson, President & Chief Executive Officer
Andrew V. Vindigni, Vice-President
Eugene S. Stark, Vice-President, Administration
Peter P. Donnelly, Vice-President & Trader
Diane G. Radosti, Treasurer
Carole Anne Clementi, Secretary
Craig A. Grassi, Assistant Vice-President
Maureen E. LoBello, Assistant Secretary
Eugene L. DeStaebler, Jr., Chief Compliance Officer

SERVICE COMPANIES

COUNSEL	TRANSFER AGENT AND REGISTRAR
Sullivan & Cromwell LLP	American Stock Transfer & Trust Company
INDEPENDENT AUDITORS	59 Maiden Lane
Ernst & Young LLP	New York, NY 10038
	1-800-413-5499
	www.amstock.com
CUSTODIAN	
State Street Bank and Trust Company	

GENERAL AMERICAN INVESTORS COMPANY, INC.



THIRD QUARTER REPORT SEPTEMBER 30, 2005

*A Closed-End Investment Company
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