

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

**DREYFUS STRATEGIC MUNICIPAL BOND FUND INC**

CIK: **855887** | IRS No.: **051287040** | State of Incorporation: **MD** | Fiscal Year End: **1130**  
Type: **N-30D** | Act: **40** | File No.: **811-05877** | Film No.: **96513250**

Mailing Address  
*C/O DREYFUS CORP  
200 PARK AVENUE, 8TH  
FLOOR  
NEW YORK NY 10166*

Business Address  
*144 GLENN CURTISS BLVD  
UNIONDALE NY 11556  
2129226808*

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.

LETTER TO SHAREHOLDERS

Dear Shareholder:

We are pleased to provide you with this report on the Dreyfus Strategic Municipal Bond Fund, Inc. For its annual reporting period ended November 30, 1995, your Fund's net asset value rose 10.60% to \$9.60 per share. Income dividends exempt from Federal personal income taxes of \$.642 per share were paid, which amounts to a tax-free distribution rate per share of 6.94%, based on the closing market price of \$9.25.\*

THE ECONOMY

Modest economic growth and low inflation have spurred a dramatic, year-long rally in the bond market. The Federal Reserve Board's recent reduction of the Federal Funds rate confirms what investors had already suspected: that inflation, at least for the near future, appears to be under control. Now questions abound regarding the duration of the economic recovery and the possibility of recession.

The economic recovery of the mid-1990s has been productivity-driven. Corporations implemented extraordinary cost control measures that, while dramatically improving bottom line earnings, now contribute to the slow rate of employment growth. Job creation is a significant factor that affects consumer spending and is a major component of economic activity. New job creation, currently running at the slowest pace of the post-World War II era, is worrisome. Indeed, wages and salaries grew at under 3% over the past year, barely keeping pace with inflation. Still, surveys indicate that consumers remain optimistic, despite evidence that their spending is being affected by the slow growth in disposable income. Recent reports on retail sales confirm this reticence in spending. A consumer-led weakening of the economy could lead to further Federal Reserve easing of monetary policy.

It was concern about lagging economic growth that prompted the Federal Reserve to ease the Federal Funds rate twice in 1995, first in July and then again in December. The housing market and new home construction were helped earlier in 1995 by low interest rates, though recently both have exhibited signs of weakness. Business capital spending, another engine of economic growth, has been solid. Exports remain another bright area of the economy. Because of the new competitiveness of American businesses abroad, the U.S. trade deficit continues to shrink. Through September, the trade deficit with Japan narrowed for the sixth consecutive month. Exports, while a relatively small component of overall economic activity in this country, provide an important support for the job market. If U.S. products lose competitiveness in world markets, foreign orders may go elsewhere and jobs could be lost here.

MARKET ENVIRONMENT

Municipal bonds have enjoyed a dramatic bull market for the past 12 months. Current business sluggishness may result in further Fed easing next year, particularly if the Clinton Administration and Congress can arrive at a meaningful budget agreement. We believe a balanced Federal budget, if realized, could be beneficial to the bond market since it could mean a reduction in the issuance of government securities. A similar supply scenario exists in the municipal bond market. The redemption of existing municipal bonds has outpaced the rate of new issuance for two years, and is expected to recur in 1996.

Overall, we remain confident in our optimistic view of the municipal bond market. Yet we are also mindful of the stimulative effect of easing monetary policy. Therefore we are watchful for any signs of a revival of inflationary pressures.

THE PORTFOLIO

During the Fund's fiscal year, which ended November 30, 1995, we continued to invest in accordance with the Fund's investment objective and management policies, seeking high current income that is exempt from Federal income tax. That, in combination with the capital appreciation of the Fund's portfolio securities, produced the results cited in the first paragraph. The municipal bond market enjoyed a very good 1995, with price appreciation that more than offset 1994's less fortunate results. We continue to monitor the portfolio's holdings carefully in our efforts to seek a high current income stream, but we are aware that, as time passes, more of the bonds will be called and we will be reinvesting the proceeds at lower rates than those that prevail on the current holdings.

In general, we are optimistic about the municipal bond market in 1996. The technical picture appears positive as we look forward: the supply of newly issued municipal bonds may not exceed that of 1995, so after taking into account maturities, redemptions, calls and refundings, the outstanding supply may actually be reduced, which could help support prices, presuming demand remains stable or increases.

The high level of volatility exhibited by the market in recent years underscores, for us, the need to maintain a disciplined and long-term focus. Solid market performance thus far in 1995 has rewarded the patient investor. The Fund's investment objective - to maximize current income exempt from Federal income taxes to the extent believed by the Adviser to be consistent

with preservation of capital - continues to guide our portfolio management decisions.

Included in this report is a series of detailed statements about your Fund's holdings and financial condition. We hope they are informative. Please know that we appreciate greatly your continued confidence in the Fund and in The Dreyfus Corporation.

Very truly yours,

(Richard J. Moynihan Signature Logo)

Richard J. Moynihan  
Director, Municipal Portfolio Management

December 21, 1995  
New York, N.Y.

\*Some income may be subject to the Federal Alternative Minimum Tax (AMT) for certain shareholders.

<TABLE>  
<CAPTION>

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
SELECTED INFORMATION

	NOVEMBER 30, 1995 (UNAUDITED)
Market Price per share November 30, 1995.....	\$9 1\4
Shares Outstanding November 30, 1995.....	45,745,449
New York Stock Exchange Ticker Symbol.....	DSM
MARKET PRICE (NEW YORK STOCK EXCHANGE)	

FISCAL YEAR ENDED NOVEMBER 30, 1995

	QUARTER ENDED FEBRUARY 28, 1995	QUARTER ENDED MAY 31, 1995	QUARTER ENDED AUGUST 31, 1995	QUARTER ENDED NOVEMBER 30, 1995
<S>	<C>	<C>	<C>	<C>
High	\$9 1\4	\$9 3\8	\$9 3\8	\$9 1\4
Low	8 1\8	9	8 5\8	8 5\8
Close	9 1\8	9 3\8	8 7\8	9 1\4
PERCENTAGE GAIN based on change in Market Price*				
November 22, 1989 (commencement of operations) through November 30, 1995.....				42.29%
December 1, 1990 through November 30, 1995.....				40.72
December 1, 1994 through November 30, 1995.....				15.12
March 1, 1995 through November 30, 1995.....				6.79
June 1, 1995 through November 30, 1995.....				2.12
September 1, 1995 through November 30, 1995.....				6.03
NET ASSET VALUE PER SHARE				
November 22, 1989(commencement of operations).....			\$9.32	
November 30, 1994.....			8.68	
February 28, 1995.....			9.19	
May 31, 1995.....			9.45	
August 31, 1995.....			9.42	
November 30, 1995.....			9.60	
PERCENTAGE GAIN based on change in Net Asset Value*				
November 22, 1989 (commencement of operations) through November 30, 1995.....				58.45%
December 1, 1990 through November 30, 1995.....				46.97
December 1, 1994 through November 30, 1995.....				18.71
March 1, 1995 through November 30, 1995.....				10.04
June 1, 1995 through November 30, 1995.....				5.14
September 1, 1995 through November 30, 1995.....				3.67

\*With dividends reinvested.

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DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
STATEMENT OF INVESTMENTS

	NOVEMBER 30, 1995	
	PRINCIPAL AMOUNT	VALUE
LONG-TERM MUNICIPAL INVESTMENTS-99.0%		
<S>	<C>	<C>
ARKANSAS-.5%		
Saline County, HR, Refunding, Improvement 7.875%, 9/1/2019.....	\$ 2,000,000	\$ 2,285,260
CALIFORNIA-.9%		
Foothill/Eastern Transportation Corridor Agency, Toll Road Revenue 6.50%, 1/1/2032.....	1,000,000	1,024,940
San Marcos Public Facilities Authority, Revenue, Refunding, Public Improvement (Civic Center-Mission Boulevard Project) 6.20%, 8/1/2022.....	3,000,000	2,966,880
COLORADO-4.1%		
Colorado Health Facilities Authority, Revenue (American Housing Foundation 1 Inc. Project) 10.25%, 12/1/2020.....	5,900,000	6,430,410
City and County of Denver, Airport Revenue 8.50%, 11/15/2023.....	10,000,000	11,474,200
DISTRICT OF COLUMBIA-2.2%		
Metropolitan Washington Airports Authority, Special Facilities Revenue		

(Caterair International Corp.) 10.125%, 9/1/2011.....	8,920,000	9,469,026
FLORIDA-6.2%		
Florida Board of Education, Capital Outlay 8.50%, 6/1/2019 (a,b).....	15,000,000	16,912,500
North Miami Health Facilities Authority, Health Facilities Revenue (Hallmark Homes Project) 10.50%, 8/1/2020 (c).....	3,985,193	119,555
Palm Beach County, Solid Waste IDR: (Okeelanta Power Limited Partnership Project) 6.70%, 2/15/2015.....	5,000,000	5,122,200
(Osceola Power Limited Partnership Project) 6.95%, 1/1/2022.....	5,000,000	5,131,300
GEORGIA-2.8%		
Private Colleges and Universities Facilities Authority, Revenue, Refunding (Clark Atlanta University Project) 8.25%, 1/1/2015.....	11,000,000	12,423,840
ILLINOIS-11.3%		
Chicago O'Hare International Airport, Special Facilities Revenue (United Airlines Inc. Project): 8.20%, 5/1/2018.....	7,360,000	8,108,438
8.40%, 5/1/2018.....	6,715,000	7,397,043
Illinois Development Finance Authority, Revenue (Community Rehabilitation Providers Facility Acquisition) 8.50%, 9/1/2010	5,000,000	5,361,650
Illinois Health Facilities Authority, Revenue (Ravenswood Hospital Medical Center Project) 8.25%, 11/1/2010.....	13,000,000	14,043,381
Robbins, RRR (Robbins Resource Recovery Partners): 9.25%, 10/15/2014.....	10,500,000	11,411,715
9.25%, 10/15/2016.....	3,000,000	3,260,490

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
STATEMENT OF INVESTMENTS (CONTINUED)

NOVEMBER 30, 1995

LONG-TERM MUNICIPAL INVESTMENTS (CONTINUED)

	PRINCIPAL AMOUNT	VALUE
	-----	-----
INDIANA-3.1%		
Burns Harbor Industrial Solid Waste Disposal Facilities, Revenue (Bethlehem Steel Corp. Project) 8%, 4/1/2024.....	\$ 6,000,000	\$ 6,488,340
Indianapolis Airport, Special Facilities Revenue (United Airlines Inc. Project) 6.50%, 11/15/2031.....	7,000,000	7,063,420
KENTUCKY-1.1%		
Morgantown Health Care Facility, Revenue (Southern Health Care System Project) 10.50%, 3/1/2020.....	4,265,000	4,605,475
LOUISIANA-4.6%		
Lake Charles Harbor and Terminal, District Port Facilities Revenue, Refunding (Trunkline LNG Co. Project) 7.75%, 8/15/2022.....	15,000,000	17,100,900
Parish of De Soto, Environmental Improvement Revenue, Refunding (International Paper Co. Project) 6.55%, 4/1/2019.....	2,900,000	2,994,540
MARYLAND-2.2%		
Baltimore County, PCR, Refunding (Bethlehem Steel Corp. Project) 7.50%, 6/1/2015.....	5,000,000	5,252,050
Maryland Industrial Development Financing Authority, EDR, (Medical Waste Associates Limited Partnership) 8.75%, 11/15/2010.....	4,465,000	4,465,000
MASSACHUSETTS-5.2%		
Massachusetts Health and Educational Facilities Authority, Revenue (Beth Israel Hospital Issue) 8.32%, 7/1/2025 (Insured; AMBAC) (a).....	3,250,000	3,384,063
Massachusetts Housing Finance Agency, Residential Housing Revenue: 8.50%, 8/1/2020.....	60,000	62,881
8.40%, 8/1/2021.....	3,415,000	3,653,913
Massachusetts Industrial Finance Agency, Revenue (Sturdy Memorial Hospital) 7.90%, 6/1/2009.....	5,150,000	5,606,908
Massachusetts Port Authority, Special Project Revenue (Harborside Hyatt Project) 10%, 3/1/2026.....	7,000,000	7,903,700
Pittsfield, SWDR (Vicon Recovery Associates Project) 7.95%, 11/1/2004.....	2,090,000	2,183,883
MICHIGAN-1.5%		
Michigan Hospital Finance Authority, HR, Refunding (Genesys Health System Obligated Group) 8.125%, 10/1/2021.....	5,000,000	5,516,850
Michigan Strategic Fund, SWDR, Refunding (Genesee Power Station Project) 7.50%, 1/1/2021.....	1,000,000	1,027,650
MINNESOTA-1.1%		
Washington County Housing and Redevelopment Authority, Governmental Housing Revenue (Woodland Park Apartments) 9.75%, 5/1/2020.	5,035,000	4,783,250

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
STATEMENT OF INVESTMENTS (CONTINUED)

NOVEMBER 30, 1995

LONG-TERM MUNICIPAL INVESTMENTS (CONTINUED)

	PRINCIPAL AMOUNT	VALUE
	-----	-----
MISSISSIPPI-2.6%		
Claiborne County, PCR (Middle South Energy Inc.) 9.875%, 12/1/2014.....	\$ 10,000,000	\$ 11,493,000
MISSOURI-2.3%		
Jackson County Industrial Development Authority, Health Facilities Revenue (Carondelet Health Corp. Project) 9%, 7/1/2020.....	6,735,000	7,380,482
Missouri Health and Educational Facilities Authority, Health Facilities Revenue		

(Lake of the Ozarks General Hospital Inc. Project) 7.875%, 2/1/2006.....	2,875,000	2,959,525
NEBRASKA-.3%		
Nebraska Investment Finance Authority, SFMR 8.125%, 8/15/2038 (Insured; MBIA)	1,275,000	1,356,103
NEW JERSEY-1.3%		
New Jersey Economic Development Authority, First Mortgage Revenue (The Evergreens) 9.25%, 10/1/2022.....	5,000,000	5,506,800
NEW MEXICO-.9%		
New Mexico Mortgage Finance Authority, SFMR 7.80%, 3/1/2021.....	3,635,000	3,826,892
NEW YORK-5.1%		
New York City:		
5.625%, 8/1/2013.....	1,000,000	967,320
8%, 8/15/2018.....	15,000	17,206
8%, 8/15/2018 (Prerefunded 8/15/2001) (d).....	1,485,000	1,771,991
New York City Industrial Development Agency, Civic Facility Revenue (YMCA of Greater New York Project) 8%, 8/1/2016.....	3,000,000	3,244,470
New York State Dormitory Authority, Revenue, Judicial Facility Lease (Suffolk County Issue) 9.50%, 4/15/2014.....	6,000,000	7,001,400
New York State Mortgage Agency, Revenue 8.10%, 10/1/2017.....	8,495,000	9,141,130
NORTH CAROLINA-1.5%		
Halifax County Industrial Facilities and Pollution Control Financing Authority, SWDR		
(Champion International Project) 8.15%, 11/1/2019.....	1,000,000	1,094,670
Haywood County Industrial Facilities and Pollution Control Financing Authority, SWDR		
(Champion International Project) 8.10%, 11/1/2009.....	5,000,000	5,457,350
PENNSYLVANIA-7.5%		
Langhorne Manor Borough Higher Education and Health Authority, Revenue (Woods Schools) 8.75%, 11/15/2014 (Prerefunded 11/15/1999) (d).....	6,000,000	7,097,820
Lehigh County General Purpose Authority, Revenue (Wiley House) 8.75%, 11/1/2014.....	11,000,000	11,507,870
Montgomery County Higher Education and Health Authority, Revenue: (Northwestern Corp.) 8.50%, 6/1/2016.....	4,390,000	4,657,878

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
STATEMENT OF INVESTMENTS (CONTINUED)

NOVEMBER 30, 1995

LONG-TERM MUNICIPAL INVESTMENTS (CONTINUED)

PRINCIPAL  
AMOUNT                      VALUE

PENNSYLVANIA (CONTINUED)

Montgomery County Higher Education and Health Authority, Revenue (continued): (Retirement Community-G.D.L. Farms) 9.50%, 1/1/2020 (Prerefunded 1/1/2000) (d).....	\$ 5,500,000	\$ 6,622,275
Pennsylvania Economic Development Financing Authority, RRR (Northampton Generating) 6.60%, 1/1/2019.....	2,500,000	2,488,075
Pennsylvania Housing Finance Agency, Multi-Family Development Revenue 8.25%, 12/15/2019.....	307,000	323,854
RHODE ISLAND-2.0%		
Rhode Island Health and Educational Building Corp., Revenue, Refunding, Hospital Financing (Landmark Medical Center) 8.125%, 7/1/2019 (Prerefunded 7/1/1999) (d).....	7,520,000	8,642,435
TENNESSEE-1.6%		
Maury County Health and Educational Facilities Board, Health Care Facilities Revenue (Southern Health Care-Heritage) 10.50%, 3/1/2020.....	6,220,000	7,061,068
TEXAS-13.5%		
Georgetown Hospital Authority, HR, Refunding, Improvement and First Mortgage 8.625%, 7/1/2015.....	7,005,000	7,698,425
Lone Star Airport Improvement Authority, Facilities Revenue (American Airlines Inc. Project) 9.125%, 12/1/2015 (Prerefunded 12/29/95) (d)	3,000,000	3,072,720
Mesquite Health Facilities Development Corp., Revenue (Christian Care Centers Inc.) 9.375%, 3/1/2020.....	11,540,000	12,478,317
Metro Health Facilities Development Corp., HR, Refunding (Wilson N. Jones Memorial Hospital Project) 7.875%, 1/1/2014 (Prerefunded 1/1/1997) (d).....	2,760,000	2,938,434
Texas Department of Housing and Community Affairs, Collateralized Home Mortgage Revenue, Refunding 6.90%, 7/2/2024 (a).....	13,700,000	14,878,337
Texas Health Facilities Development Corp., HR (All Saints Episcopal Hospitals) 7.80%, 8/15/2021 (Prerefunded 8/15/1999) (d).....	3,000,000	3,394,050
Texas Public Property Finance Corp., Revenue (Mental Health and Retardation Project): 8.625%, 9/1/2001.....	2,100,000	2,352,630
8.875%, 9/1/2011 (Prerefunded 9/1/2001) (d) .....	5,100,000	6,308,802
Tyler Health Facilities Development Corp., HR, Refunding (East Texas Medical Center Regional Health Care System Project) 6.75%, 11/1/2025.....	5,850,000	5,866,322
UTAH-2.5%		
Carbon County, SWDR, Refunding (Sunnyside Cogeneration) 9.25%, 7/1/2018.....	10,000,000	11,023,100

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
STATEMENT OF INVESTMENTS (CONTINUED)

NOVEMBER 30, 1995

LONG-TERM MUNICIPAL INVESTMENTS (CONTINUED)

PRINCIPAL  
AMOUNT                      VALUE

VERMONT-.6%			
Vermont Housing Finance Agency, Home Mortgage Purchase 8.10%, 6/1/2022.....	\$	2,450,000	\$ 2,586,784
VIRGINIA-5.7%			
Fairfax County Water Authority, Revenue 6.997%, 4/1/2029 (a,b).....		4,000,000	3,985,000
Henrico County Industrial Development Authority, Revenue (Bon Secours Health Care System Project) 7.651%, 8/23/2027 (a).....		7,500,000	8,409,375
Virginia Housing Development Authority, MFHR 7.05%, 5/1/2018.....		12,000,000	12,741,120
WASHINGTON-1.3%			
Pilchuck Development Public Corp., Special Facilities Airport Revenue (Tramco Inc. Project) 6%, 8/1/2023.....		5,920,000	5,577,646
WISCONSIN-2.5%			
Wisconsin Housing and Economic Development Authority, Homeownership Revenue 8.707%, 7/1/2025 (a,b).....		10,600,000	10,971,000
WYOMING-1.0%			
Sweetwater County, SWDR (FMC Corp. Project): 7%, 6/1/2024.....		2,200,000	2,311,848
6.90%, 9/1/2024.....		2,000,000	2,090,860
TOTAL LONG-TERM MUNICIPAL INVESTMENTS (cost \$411,261,793).....			\$433,340,035 =====
SHORT-TERM MUNICIPAL INVESTMENTS-1.0%			
FLORIDA-.7%			
Florida Board of Education, Capital Outlay 3.93%, (a,b).....	\$	3,000,000	\$ 3,000,000
LOUISIANA-.3%			
Louisiana Offshore Terminal Authority, Deepwater Port Revenue Refunding, VRDN (Loop Inc.-First Stage) 3.70% (LOC; Union Bank of Switzerland) (e,f).....		1,200,000	1,200,000
TOTAL SHORT-TERM MUNICIPAL INVESTMENTS (cost \$4,200,000).....			\$ 4,200,000 =====
TOTAL INVESTMENTS-100.0% (cost \$415,461,793).....			\$437,540,035 =====

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DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.

SUMMARY OF ABBREVIATIONS

<S>	<C>	<C>	<C>
AMBAC	American Municipal Bond Assurance Corporation	MFHR	Multi-Family Housing Revenue
EDR	Economic Development Revenue	PCR	Pollution Control Revenue
HR	Hospital Revenue	RRR	Resources Recovery Revenue
IDR	Industrial Development Revenue	SFMR	Single Family Mortgage Revenue
LOC	Letter of Credit	SWDR	Solid Waste Disposal Revenue
MBIA	Municipal Bond Investors Assurance Insurance Corporation	VRDN	Variable Rate Demand Notes

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SUMMARY OF COMBINED RATINGS (UNAUDITED)

FITCH (G)	OR	MOODY'S	OR	STANDARD & POOR'S	PERCENTAGE OF VALUE
<S>		<C>		<C>	
AAA		Aaa		AAA	10.7%
AA		Aa		AA	13.9
A		A		A	2.3
BBB		Baa		BBB	30.2
F1		MIG1/P1		SP1/A1	.3
Not Rated(h)		Not Rated(h)		Not Rated(h)	42.6
					100.0%
					=====

NOTES TO STATEMENT OF INVESTMENTS:

- (a) Inverse floater security - the interest rate is subject to change periodically.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At November 30, 1995, these securities amounted to \$34,868,500 or 7.9% of net assets.
- (c) Non-income producing security; interest payment in default.
- (d) Bonds which are prerefunded are collateralized by U.S. Government Securities which are held in escrow and are used to pay principal and interest on the municipal issue and to retire the bonds in full at the earliest refunding date.

- (e) Secured by letters of credit.
- (f) Securities payable on demand. The interest rate, which is subject to change, is based upon bank prime rates or an index of market interest rates.
- (g) Fitch currently provides creditworthiness information for a limited number of investments.
- (h) Securities which, while not rated by Fitch, Moody's or Standard & Poor's, have been determined by the Investment Adviser to be of comparable quality to those rated securities in which the Fund may invest.
- (i) At November 30, 1995, the Fund had \$139,627,990 (31.8% of net assets) invested in securities whose payment of principal and interest is dependent upon revenues generated from health care projects.

See notes to financial statements.

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DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES

<S>

NOVEMBER 30, 1995

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ASSETS:

Investments in securities, at value (cost \$415,461,793)-see statement.....		\$437,540,035
Cash.....		34,517
Interest receivable.....		8,584,067
Prepaid expenses.....		23,658

446,182,277

LIABILITIES:

Due to The Dreyfus Corporation.....	\$ 268,556	
Payable for investment securities purchased.....	6,511,039	
Accrued expenses.....	210,430	6,990,025

NET ASSETS ..... \$439,192,252  
=====

REPRESENTED BY:

Paid-in capital.....		\$428,345,451
Accumulated undistributed investment income-net.....		3,897,079
Accumulated net realized capital losses and distributions in excess of net realized gain on investments-Note 1(c).....		(15,128,520)
Accumulated net unrealized appreciation on investments-Note 3.....		22,078,242

NET ASSETS at value applicable to 45,745,449 shares outstanding  
(110 million shares of \$.001 par value Common Stock authorized)..... \$439,192,252  
=====

NET ASSET VALUE, per share  
(\$439,192,252 / 45,745,449 shares)..... \$9.60  
=====

See notes to financial statements.

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DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.

STATEMENT OF OPERATIONS

<S>

YEAR ENDED NOVEMBER 30, 1995

<C>

<C>

INVESTMENT INCOME:

INTEREST INCOME..... \$33,704,637

EXPENSES:

Investment advisory fee-Note 2(a).....	\$ 2,118,437
Administration fee-Note 2(a).....	1,059,218
Professional fees.....	170,653
Shareholders' reports.....	68,841
Registration fees.....	41,188
Directors' fees and expenses-Note 2(b).....	40,226
Shareholder servicing costs-Note 2(a).....	30,696
Miscellaneous.....	26,059

TOTAL EXPENSES..... 3,555,318

INVESTMENT INCOME-NET..... 30,149,319

REALIZED AND UNREALIZED GAIN ON INVESTMENTS:

Net realized (loss) on investments-Note 3.....	\$ (9,312,230)
Net unrealized appreciation on investments.....	50,574,314

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS..... 41,262,084

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS..... \$71,411,403  
=====

See notes to financial statements.

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 DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
 STATEMENT OF CHANGES IN NET ASSETS

	YEAR ENDED NOVEMBER 30,	
	1994	1995
<S>	<C>	<C>
OPERATIONS:		
Investment income-net.....	\$ 29,631,659	\$ 30,149,319
Net realized gain (loss) on investments.....	85,181	(9,312,230)
Net unrealized appreciation (depreciation) on investments for the year..	(53,258,758)	50,574,314
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....	(23,541,918)	71,411,403
DIVIDENDS TO SHAREHOLDERS:		
From investment income-net.....	(30,426,060)	(29,353,820)
In excess of net realized gain on investments.....	(2,991,298)	—
TOTAL DIVIDENDS.....	(33,417,358)	(29,353,820)
CAPITAL STOCK TRANSACTIONS:		
Dividends reinvested-Note 1(c).....	5,584,002	819,049
TOTAL INCREASE (DECREASE) IN NET ASSETS.....	(51,375,274)	42,876,632
NET ASSETS:		
Beginning of year.....	447,690,894	396,315,620
End of year (including undistributed investment income-net: \$3,101,580 in 1994 and \$3,897,079 in 1995).....	\$396,315,620	\$439,192,252
	=====	=====
	SHARES	SHARES
CAPITAL SHARE TRANSACTIONS:		
INCREASE IN SHARES OUTSTANDING AS A RESULT OF DIVIDENDS REINVESTED.....	576,387	90,204
	=====	=====
See notes to financial statements.		

</TABLE>

<TABLE>  
 <CAPTION>  
 DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
 FINANCIAL HIGHLIGHTS

Contained below is per share operating performance data for a share of Common Stock outstanding, total investment return, ratios to average net assets and other supplemental data for each year indicated. This information has been derived from the financial statements and market price data for the Fund's shares.

	YEAR ENDED NOVEMBER 30,				
	1991	1992	1993	1994	1995
PER SHARE DATA:					
<S>	<C>	<C>	<C>	<C>	<C>
Net asset value, beginning of year.....	\$ 9.44	\$ 9.61	\$ 9.78	\$ 9.93	\$ 8.68
INVESTMENT OPERATIONS:					
Investment income-net.....	.69	.70	.70	.65	.66
Net realized and unrealized gain (loss) on investments.....	.19	.18	.17	(1.16)	.90
TOTAL FROM INVESTMENT OPERATIONS.....	.88	.88	.87	(.51)	1.56
DISTRIBUTIONS:					
Dividends from investment income-net.....	(.71)	(.71)	(.68)	(.67)	(.64)
Dividends from net realized gain on investments	—	—	(.04)	—	—
Dividends in excess of net realized gain on investments.....	—	—	—	(.07)	—
TOTAL DISTRIBUTIONS.....	(.71)	(.71)	(.72)	(.74)	(.64)
Net asset value, end of year.....	\$ 9.61	\$ 9.78	\$ 9.93	\$ 8.68	\$ 9.60
	=====	=====	=====	=====	=====
Market value, end of year.....	\$ 9 9\8	\$ 10 1\4	\$ 10 1\4	\$ 8 5\8	\$ 9 1\4
TOTAL INVESTMENT RETURN*.....	12.02%	11.65%	7.37%	(8.97%)	15.12%
RATIOS/SUPPLEMENTAL DATA:					
Ratio of expenses to average net assets.....	.88%	.84%	.85%	.86%	.84%
Ratio of net investment income to average net assets	7.27%	7.16%	7.05%	6.94%	7.12%



Portfolio Turnover Rate.....	22.41%	8.58%	13.87%	10.96%	13.19%
Net Assets, end of year (000's Omitted).....	\$408,314	\$428,824	\$447,691	\$396,316	\$439,192
* Calculated based on market value.					

See notes to financial statements.  
</TABLE>

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
NOTE 1-SIGNIFICANT ACCOUNTING POLICIES:

The Fund is registered under the Investment Company Act of 1940 ("Act") as a diversified closed-end management investment company. The Dreyfus Corporation ("Dreyfus") serves as the Fund's investment adviser and administrator. Prior to November 1, 1995, The Boston Company Advisors, Inc. served as the Fund's administrator. Boston Safe Deposit and Trust Company ("Custodian") acts as the Fund's custodian. The Custodian is an indirect wholly-owned subsidiary of Mellon Bank Corporation ("Mellon"). Dreyfus is a direct subsidiary of Mellon Bank, N.A. Effective November 1, 1995, The Shareholder Services Group, Inc. changed its name to First Data Investor Services Group, Inc., which is a subsidiary of First Data Corporation ("FDC") and serves as the Fund's transfer agent, dividend-paying agent, registrar and plan agent.

(A) PORTFOLIO VALUATION: Investments in municipal debt securities (excluding options and financial futures on municipal and U.S. treasury securities) are valued on the last business day of each week and month by an independent pricing service ("Service") approved by the Board of Directors. Investments for which quoted bid prices are readily available and are representative of the bid side of the market in the judgment of the Service are valued at the mean between the quoted bid prices (as obtained by the Service from dealers in such securities) and asked prices (as calculated by the Service based upon its evaluation of the market for such securities). Other investments (which constitute a majority of the portfolio securities) are carried at fair value as determined by the Service, based on methods which include consideration of: yields or prices of municipal securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. Options and financial futures on municipal securities and U.S. treasury securities are valued at the last sales price on the securities exchange on which such securities are primarily traded or at the last sales price on the national securities market on the last business day of each week and month. Investments not listed on an exchange or the national securities market, or securities for which there were no transactions, are valued at the average of the most recent bid and asked prices. Bid price is used when no asked price is available.

(B) SECURITIES TRANSACTIONS AND INVESTMENT INCOME: Securities transactions are recorded on a trade date basis. Realized gain and loss from securities transactions are recorded on the identified cost basis. Interest income, adjusted for amortization of premiums and original issue discounts on investments, is earned from settlement date and recognized on the accrual basis. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date.

(C) DIVIDENDS TO SHAREHOLDERS: Dividends are recorded on the ex-dividend date. Dividends from investment income-net are declared and paid monthly. Dividends from net realized capital gain are normally declared and paid at least annually. To the extent that net realized capital gain can be offset by capital loss carryovers, if any, it is the policy of the Fund not to distribute such gain.

For shareholders who elect to receive their distributions in additional shares of the Fund, in lieu of cash, such distributions will be reinvested at the lower of the market price or net asset value per share (but not less than 95% of the market price) as defined in the dividend reinvestment plan.

On November 29, 1995, the Board of Directors declared a cash dividend of \$.052 per share from investment income-net, payable on December 28, 1995 to shareholders of record as of the close of business on December 13, 1995.

<TABLE>  
<CAPTION>

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(D) QUARTERLY RESULTS OF OPERATIONS (UNAUDITED):

QUARTER ENDED	TOTAL INVESTMENT INCOME		NET INVESTMENT INCOME		NET REALIZED & UNREALIZED GAIN (LOSS) ON INVESTMENTS		NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	
	(000'S) OMITTED	PER SHARE	(000'S) OMITTED	PER SHARE	(000'S) OMITTED	PER SHARE	(000'S) OMITTED	PER SHARE
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
February 28, 1994.....	\$ 8,321	\$ 0.18	\$ 7,395	\$ 0.16	\$(11,032)	\$(0.24)	\$ (3,637)	\$(0.08)
May 31, 1994.....	8,370	0.18	7,479	0.17	(15,735)	(0.34)	(8,256)	(0.17)
August 31, 1994.....	8,579	0.19	7,682	0.17	696	0.01	8,378	0.18
November 30, 1994.....	8,042	0.18	7,076	0.15	(27,103)	(0.59)	(20,027)	(0.44)

Total.....	\$33,312	\$ 0.73	\$29,632	\$ 0.65	\$ (53,174)	\$ (1.16)	(\$23,542)	\$(0.51)
	=====	=====	=====	=====	=====	=====	=====	=====
February 28, 1995.....	\$ 8,429	\$ 0.19	\$ 7,563	\$ 0.17	\$ 23,313	\$ 0.51	\$ 30,876	\$ 0.68
May 31, 1995.....	8,656	0.19	7,740	0.17	11,853	0.25	19,593	0.42
August 31, 1995.....	8,328	0.18	7,411	0.16	(1,648)	(0.03)	5,763	0.13
November 30, 1995.....	8,292	0.18	7,435	0.16	7,744	0.17	15,179	0.33
Total.....	\$33,705	\$ 0.74	\$30,149	\$ 0.66	\$ 41,262	\$ 0.90	\$ 71,411	\$ 1.56
	=====	=====	=====	=====	=====	=====	=====	=====

</TABLE>

(E) FEDERAL INCOME TAXES: It is the policy of the Fund to continue to qualify as a regulated investment company, which can distribute tax exempt dividends, by complying with the applicable provisions of the Internal Revenue Code, and to make distributions of income and net realized capital gain sufficient to relieve it from substantially all Federal income and excise taxes.

The Fund has an unused capital loss carryover of approximately \$15,129,000 available for Federal income tax purposes to be applied against future net securities profits realized subsequent to November 30, 1995. If not applied, \$5,816,000 of the carryover expires in fiscal 2002 and \$9,313,000 expires in fiscal 2003.

NOTE 2-INVESTMENT ADVISORY FEE, ADMINISTRATION FEE AND OTHER TRANSACTIONS WITH AFFILIATES:

(A) The fee payable by the Fund, pursuant to the provisions of an Investment Advisory Agreement with Dreyfus, is payable monthly based on an annual rate of .50 of 1% of the average weekly value of the Fund's net assets. The fee payable by the Fund, pursuant to the provisions of an Administration Agreement with Dreyfus, is payable monthly based on an annual rate of .25 of 1% of the average weekly value of the Fund's net assets.

Prior to November 1, 1995, the Fund paid The Boston Company advisors an administration fee of \$969,700. From November 1, 1995 through November 30, 1995, the Fund paid Dreyfus an administration fee of \$89,518.

(B) Prior to February 1, 1995, certain officers of the Fund were "affiliated persons", as defined in the Act, of Dreyfus and/or Dreyfus Service Corporation.

Each director who is not an "affiliated person", as defined in the Act, receives an annual fee of \$2,500 and an attendance fee of \$500 per meeting. The Chairman of the Board receives an additional 25% of such compensation and the Director Emeritus receives 50% of such compensation.

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3-SECURITIES TRANSACTIONS:

The aggregate amount of purchases and sales of investment securities, excluding short-term securities, during the year ended November 30, 1995 amounted to \$54,579,340 and \$60,590,019, respectively.

At November 30, 1995, accumulated net unrealized appreciation on investments was \$22,078,242, consisting of \$33,450,063 gross unrealized appreciation and \$11,371,821 gross unrealized depreciation.

At November 30, 1995, the cost of investments for Federal income tax purposes was substantially the same as the cost for financial reporting purposes (see the Statement of Investments).

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

SHAREHOLDERS AND BOARD OF DIRECTORS

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.

We have audited the accompanying statement of assets and liabilities of Dreyfus Strategic Municipal Bond Fund, Inc., including the statement of investments, as of November 30, 1995, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and financial highlights for each of the years indicated therein. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of November 30, 1995 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Dreyfus Strategic Municipal Bond Fund, Inc. at November 30, 1995, the results of its operations for the year then ended, the changes in its net

assets for each of the two years in the period then ended, and the financial highlights for each of the indicated years, in conformity with generally accepted accounting principles.

[Ernst and Young LLP signature logo]

New York, New York  
January 11, 1996

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
DIVIDEND REINVESTMENT PLAN (UNAUDITED)

The Fund generally distributes net investment income monthly. From and after any issuance of Preferred Stock, monthly distributions to the holders of the Common Stock (the "Common Shareholders") will consist of all net investment income of the Fund remaining after the payment of dividends on such Preferred Stock. Any net realized short-term capital gains and any net realized long-term capital gains will be distributed at least annually.

Net realized short- or long-term capital gains, if any, will be distributed to Common Shareholders at least once a year to the extent not necessary to pay dividends on or meet the liquidation preference of shares of any Preferred Stock. While there are any shares of Preferred Stock outstanding, the Fund may not declare any cash dividend or other distribution on its Common Stock, unless at the time of such declaration, (i) all accrued Preferred Stock dividends have been paid and (ii) the net asset value of the Fund's portfolio (determined after deducting the amount of such dividend or other distribution) is at least 200% of the liquidation value of the outstanding Preferred Stock (expected to equal the original purchase price per share plus any accrued and unpaid dividends thereon). This limitation on the Fund's ability to make distributions on its Common Stock could under certain circumstances impair the ability of the Fund to maintain its qualification for taxation as a regulated investment company.

Under the Fund's Dividend Reinvestment Plan (the "Plan"), a Common Shareholder who has Fund shares registered in his own name will have all dividends and distributions reinvested automatically by The First Data Investor Services Group, Inc., as Plan agent (the "Agent"), in additional shares of the Fund's Common Stock at the lower of the prevailing market price or net asset value (but not less than 95% of market value at the time of valuation) unless such shareholder elects to receive cash as provided below. If market price is equal to or exceeds net asset value, shares will be issued at net asset value. If net asset value exceeds market price or if a dividend or other distribution payable only in cash is declared, the Agent, as agent for the Plan participants, will buy shares of the Fund's Common Stock in the open market. A Plan participant is not relieved of any income tax that may be payable on such dividends or distributions.

A Common Shareholder who owns Fund shares registered in the name of his broker/dealer or other nominee (i.e., in "street name") may not participate in the Plan, but may elect to have cash dividends and distributions reinvested by his broker/dealer or other nominee in additional shares of the Fund if such service is provided by the broker/dealer or other nominee; otherwise such dividends and distributions will be treated like any other cash dividend or distribution.

A Common Shareholder who has Fund shares registered in his name may elect to withdraw from the Plan at any time for a \$5.00 fee and thereby elect to receive cash in lieu of shares of the Fund. Changes in elections must be by direct mail to First Data Investor Services Group, Inc., Attention: Closed-End Funds, Post Office Box 1376, Boston, Massachusetts 02104-1376, or by telephone at 1-800-331-1710, and should include the shareholder's name and address as they appear on the Agent's records. Elections received by the Agent will be effective only if received prior to the record date for any distribution.

The Agent maintains all shareholder accounts in the Plan and furnishes written confirmations of all transactions in the account. Shares in the account of each Plan participant will be held by the Agent in non-certificated form in the name of the participant, and each such participant's proxy will include those shares purchased pursuant to the Plan.

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
DIVIDEND REINVESTMENT PLAN (UNAUDITED) (CONTINUED)

The Fund pays the Agent's fee for reinvestment of dividends and distributions. Plan participants pay a pro-rata share of brokerage commissions incurred with respect to the Agent's open market purchases in connection with the reinvestment of dividends or distributions.

The Fund reserves the right to amend or terminate the Plan as applied to any dividend or distribution paid subsequent to written notice of the change sent to Plan participants at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by the Agent on at least 90 days' written notice to Plan participants.

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
IMPORTANT TAX INFORMATION (UNAUDITED)

In accordance with Federal tax law, the Fund hereby designates all the dividends paid from investment income-net during its fiscal year ended November 30, 1995 as "exempt-interest dividends" (not generally subject to regular Federal income tax).

As required by Federal tax law rules, shareholders will receive notification of their portion of the Fund's taxable ordinary dividends (if any) and capital gain distributions (if any) paid for the 1995 calendar year on Form 1099-DIV which will be mailed by January 31, 1996.

<TABLE>  
<CAPTION>  
DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
PROXY RESULTS (UNAUDITED)

During the fiscal year ended November 30, 1995, stockholders voted on the following proposals presented at the annual stockholders' meeting held on March 31, 1995. The description of each proposal and the number of shares voted are as follows:

	SHARES	
	FOR	AUTHORITY WITHHELD
<S>	<C>	<C>
1.TO ELECT ONE CLASS I AND TWO CLASS II DIRECTORS:*		
CLASS I		
Joseph S. DiMartino.....	39,000,116.791	645,493.288
CLASS II		
Ehud Houminer.....	38,997,469.942	648,140.137
Robin A. Smith.....	39,047,937.154	597,672.925

</TABLE>  
<TABLE>  
<CAPTION>

	SHARES		
	FOR	AGAINST	ABSTAINED
<S>	<C>	<C>	<C>
2.TO RATIFY THE SELECTION OF ERNST & YOUNG LLP AS INDEPENDENT AUDITORS OF THE FUND.....	38,663,149.725	200,768.843	781,690.511
* Terms of these Class I and Class II Directors expire in 1997 and 1998, respectively. Richard C. Leone and Hodding Carter, III, also are Class I Directors whose terms expire in 1997, and David W. Burke, Hans C. Mautner and John E. Zuccotti are Class III Directors whose terms expire in 1996.			

OFFICERS AND DIRECTORS  
DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
200 Park Avenue  
New York, NY 10166

DIRECTORS  
Joseph S. DiMartino, Chairman of the Board  
David W. Burke  
Hodding Carter, III  
Ehud Houminer  
Richard C. Leone  
Hans C. Mautner  
Robin A. Smith  
John E. Zuccotti  
OFFICERS  
President and Treasurer  
  Marie E. Connolly  
Vice President and Secretary  
  John E. Pelletier  
Vice President and Assistant Treasurer  
  Frederick C. Dey  
Vice President and Assistant Secretary  
  Eric B. Fischman  
Assistant Treasurer  
  John J. Pyburn  
Assistant Treasurer  
  Joseph F. Tower, III  
PORTFOLIO MANAGERS:  
  Joseph P. Darcy  
  A. Paul Disdier  
  Karen M. Hand  
  Stephen C. Kris  
  Richard J. Moynihan  
  Jill C. Shaffro  
  L. Lawrence Troutman  
  Samuel J. Weinstock

INVESTMENT ADVISER  
AND ADMINISTRATOR  
The Dreyfus Corporation  
CUSTODIAN  
Boston Safe Deposit and Trust Company  
COUNSEL  
Stroock & Stroock & Lavan  
TRANSFER AGENT,  
DIVIDEND PAYING AGENT,  
REGISTRAR AND PLAN AGENT  
First Data Investor Services Group, Inc.  
STOCK EXCHANGE LISTING  
NYSE Symbol: DSM  
INITIAL SEC EFFECTIVE DATE  
11/22/89

The Net Asset Value appears in the following publications: Barron's, Closed-End Bond Funds section under the heading "Municipal Bond Funds" every Monday; Wall Street Journal, Mutual Funds section under the heading "Closed-End Bond Funds" every Monday; New York Times, Money and Business section under the heading "Closed-End Bond Funds-National Municipal Bond Fund" every Sunday.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may purchase shares of its common stock in the open market when it can do so at prices below the then current net asset value per share.

(Dreyfus Lion "d" Logo)  
DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
200 Park Avenue  
New York, NY 10166  
INVESTMENT ADVISER AND ADMINISTRATOR  
The Dreyfus Corporation  
200 Park Avenue  
New York, NY 10166  
CUSTODIAN  
Boston Safe Deposit and Trust Company  
One Boston Place  
Boston, MA 02108  
TRANSFER AGENT,  
DIVIDEND-PAYING AGENT,  
REGISTRAR AND PLAN AGENT  
First Data Investor Services Group, Inc.  
One Exchange Place  
Boston, MA 02109

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