

BLACKROCK DEBT STRATEGIES FUND, INC.  
Form N-Q  
July 29, 2010  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-08603

Name of Fund: BlackRock Debt Strategies Fund, Inc. (DSU)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock Debt Strategies Fund, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055.

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 02/28/2011

Date of reporting period: 05/31/2010

Item 1 – Schedule of Investments

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Schedule of Investments May 31, 2010 (Unaudited)

**BlackRock Debt Strategies Fund, Inc. (DSU)**  
(Percentages shown are based on Net Assets)

Common Stocks (a)	Shares	Value
<b>Auto Components 0.1%</b>		
Lear Corp.	6,842	\$ 462,998
<b>Building Products 0.4%</b>		
Masonite Worldwide Holdings	40,408	1,808,258
Neenah Enterprises Inc.	144,858	2,173
		1,810,431
<b>Chemicals 0.4%</b>		
GEO Specialty Chemicals, Inc.	339,340	130,272
LyondellBasell Industries NV	34,198	762,615
LyondellBasell Industries NV, Class B	31,314	554,258
Wellman Holdings, Inc.	5,373	269
		1,447,414
<b>Construction Materials 0.0%</b>		
Nortek, Inc.	2,970	133,650
<b>Containers &amp; Packaging 1.7%</b>		
Smurfit Kappa Plc	36,342	277,651
Viskase Cos., Inc.	1,428,423	7,070,694
		7,348,345
<b>Electrical Equipment 0.0%</b>		
Medis Technologies Ltd.	286,757	11,470
SunPower Corp., Class B	4,892	56,699
		68,169
<b>Hotels, Restaurants &amp; Leisure 0.0%</b>		
Buffets Restaurants Holdings, Inc.	2,753	17,069
HRP Corp., Class B (b)(c)	5,000	50
		17,119
<b>Metals &amp; Mining 0.1%</b>		
Euramax International	2,337	467,460
<b>Paper &amp; Forest Products 2.1%</b>		
Ainsworth Lumber Co. Ltd.	1,162,719	4,065,760
Ainsworth Lumber Co. Ltd. (b)	1,335,501	4,669,939
Western Forest Products, Inc. (b)	211,149	68,216

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		8,803,915
<b>Software 0.4%</b>		
HMH Holdings/EduMedia	283,900	1,774,373
<b>Specialty Retail 0.0%</b>		
Movie Gallery, Inc.	503,737	1,259
<b>Total Common Stocks 5.2%</b>		<b>22,335,133</b>

Corporate Bonds	Par (000)	Value
<b>Aerospace &amp; Defense 1.2%</b>		
Bombardier, Inc., 7.75%, 3/15/20 (b)	USD 1,750	\$ 1,771,875
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 (b)	1,160	1,148,400
TransDigm, Inc., 7.75%, 7/15/14 (b)	2,000	2,000,000
		<u>4,920,275</u>

<b>Airlines 0.5%</b>		
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16	1,000	1,082,500
United Air Lines, Inc., 12.75%, 7/15/12	800	850,000
		<u>1,932,500</u>

<b>Auto Components 1.4%</b>		
The Goodyear Tire & Rubber Co., 8.63%, 12/01/11	900	924,750
Icahn Enterprises LP (b): 7.75%, 1/15/16	1,500	1,410,000
8.00%, 1/15/18	4,080	3,835,200
Venture Holdings Co. LLC (a)(d): 12.00%, 6/01/09	4,450	
Series B, 9.50%, 7/01/05 (e)	1,800	180
		<u>6,170,130</u>

<b>Biotechnology 0.1%</b>		
QHP Pharma, 10.25%, 3/15/15 (b)	565	572,611

<b>Building Products 2.6%</b>		
Building Materials Corp. of America, 7.00%, 2/15/20 (b)	1,300	1,287,000
CPG International I, Inc.: 7.18%, 7/01/12 (f)	7,500	7,387,500
10.50%, 7/01/13	1,300	1,313,000
	1,050	1,076,250

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Ply Gem Industries, Inc., 11.75%,  
6/15/13

			11,063,750
<b>Capital Markets 0.4%</b>			
E*Trade Financial Corp., 4.01%, 8/31/19 (b)(g)(h)		593	848,731
MU Finance Plc, 8.75%, 2/01/17 (b)	GBP	698	928,662
			1,777,393

<b>Chemicals 3.5%</b>			
American Pacific Corp., 9.00%, 2/01/15	USD	1,490	1,458,337
CF Industries, Inc., 6.88%, 5/01/18		1,475	1,476,844

**Portfolio Abbreviations**

To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

CAD	Canadian Dollar
EUR	Euro
FKA	Formerly Known As
GBP	British Pound
MSCI	Morgan Stanley Capital International
USD	US Dollar

## Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)  
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
<b>Chemicals (concluded)</b>			
GEO Specialty Chemicals, Inc. (b):			
7.50%, 3/31/15 (g)	USD	4,171	\$ 2,711,012
10.00%, 3/31/15		4,106	2,668,640
Hexion Finance Escrow LLC, 8.88%, 2/01/18 (b)		620	573,500
Hexion U.S. Finance Corp., 9.75%, 11/15/14		585	558,675
Huntsman International LLC, 5.50%, 6/30/16 (b)		900	783,000
LBI Escrow Corp., 8.00%, 11/01/17 (b)		1,600	1,628,000
Wellman Holdings, Inc. (g):			
Subordinate Note (Second Lien), 10.00%, 1/29/19 (b)		2,978	2,590,860
Subordinate Note (Third Lien), 5.00%, 1/29/19 (c)		954	372,031
			14,820,899
<b>Commercial Banks 0.1%</b>			
Glitnir Banki HF (a)(d):			
4.15%, 4/20/10 (b)		184	51,060
6.38%, 9/25/12 (b)		1,115	309,412
Series EMTN, 5.07%, 1/27/10	EUR	50	17,333
Series EMTN, 3.00%, 6/30/10		75	27,151
Series GMTN, 4.38%, 2/05/10		85	29,467
			434,423
<b>Commercial Services &amp; Supplies 1.0%</b>			
ACCO Brands Corp., 10.63%, 3/15/15	USD	660	714,450
Clean Harbors, Inc., 7.63%, 8/15/16		1,200	1,230,000
The Geo Group, Inc., 7.75%, 10/15/17 (b)		850	846,813
RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b)		970	1,043,962
West Corp., 9.50%, 10/15/14		340	338,300
			4,173,525
<b>Construction Materials 0.7%</b>			
Nortek, Inc., 11.00%, 12/01/13		2,983	3,102,527

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**Consumer Finance 0.9%**

Credit Acceptance Corp., 9.13%, 2/01/17 (b)	570	575,700
Ford Motor Credit Co. LLC, 3.05%, 1/13/12 (f)	2,680	2,572,800
Inmarsat Finance Plc, 7.38%, 12/01/17 (b)	725	723,188

3,871,688

**Containers & Packaging 3.0%**

Ball Corp., 6.75%, 9/15/20	625	607,812
Berry Plastics Corp.:		
8.25%, 11/15/15	2,100	2,063,250
9.50%, 5/15/18 (b)	1,210	1,082,950

**Corporate Bonds**

	Par (000)	Value
<b>Containers &amp; Packaging (concluded)</b>		
Berry Plastics Holding Corp., 8.88%, 9/15/14	USD 305	\$ 292,800
Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16	EUR 260	303,105
Crown Americas LLC, 7.63%, 5/15/17 (b)	USD 710	713,550
Graphic Packaging International, Inc., 9.50%, 6/15/17	975	1,014,000
Packaging Dynamics Finance Corp., 10.00%, 5/01/16 (b)	1,920	1,644,000
Smurfit Kappa Acquisitions (b):		
7.25%, 11/15/17	EUR 830	998,159
7.75%, 11/15/19	785	953,675
Smurfit Kappa Funding Plc, 7.75%, 4/01/15	USD 3,325	3,237,719
		12,911,020

**Diversified Financial Services 6.0%**

Archimedes Funding III Ltd., 5.50%, 11/29/11 (b)	5,421	3,252,699
CIT Group, Inc.:		
7.00%, 5/01/16	1,615	1,465,613
7.00%, 5/01/17	7,820	7,057,550
FCE Bank Plc, 7.13%, 1/16/12	EUR 3,250	3,968,278
GMAC, Inc.:		
7.25%, 3/02/11	USD 58	58,218
5.38%, 6/06/11	EUR 436	528,347
6.88%, 9/15/11	USD 900	900,000
6.88%, 8/28/12	750	740,625
7.50%, 12/31/13	90	87,750
6.75%, 12/01/14	2,280	2,171,700
8.30%, 2/12/15 (b)	1,700	1,706,375
8.00%, 3/15/20 (b)	200	194,000
8.00%, 11/01/31	1,350	1,228,500
Preferred Term Securities VI, Ltd., 2.05%, 7/01/32 (a)(b)	35	1,750
Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b)	1,625	1,608,750
	EUR 650	789,667

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Reynolds Group Issuer, Inc.,  
7.75%, 10/15/16 (b)

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25,759,822

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**Diversified Telecommunication Services 2.7%**

Cincinnati Bell, Inc., 8.25%, 10/15/17	USD	1,600	1,508,000
ITC Deltacom, Inc., 10.50%, 4/01/16 (b)		1,750	1,680,000
New Communications Holdings, Inc., 8.25%, 4/15/17 (b)		2,915	2,885,850
Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b)		390	399,750
Qwest Corp., 8.38%, 5/01/16		4,000	4,340,000
TW Telecom Holdings, Inc., 8.00%, 3/01/18 (b)		920	922,300

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11,735,900

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BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2010

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## Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)  
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
<b>Electric Utilities 0.3%</b>		
NSG Holdings LLC, 7.75%, 12/15/25 (b)	USD 1,505	\$ 1,346,975
<b>Electronic Equipment, Instruments &amp; Components 0.0%</b>		
Muzak Holdings, LLC, 13.00%, 3/15/10 (a)(d)	2,675	268
<b>Energy Equipment &amp; Services 0.5%</b>		
Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b)	2,000	1,940,000
<b>Food &amp; Staples Retailing 0.4%</b>		
Rite Aid Corp., 9.75%, 6/12/16	1,590	1,687,388
<b>Food Products 0.8%</b>		
B&G Foods, Inc., 7.63%, 1/15/18	900	897,750
Bumble Bee Foods LLC, 7.75%, 12/15/15 (b)	730	726,350
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)	1,850	1,980,656
		3,604,756
<b>Health Care Equipment &amp; Supplies 0.3%</b>		
DJO Finance LLC, 10.88%, 11/15/14	1,345	1,398,800
<b>Health Care Providers &amp; Services 1.5%</b>		
American Renal Holdings, 8.38%, 5/15/18 (b)	470	457,075
DaVita, Inc., 7.25%, 3/15/15	980	975,100
HCA, Inc., 7.25%, 9/15/20	770	768,075
Tenet Healthcare Corp. (b): 9.00%, 5/01/15	680	714,000
8.88%, 7/01/19	3,280	3,439,900
		6,354,150
<b>Health Care Technology 0.8%</b>		
IMS Health, Inc., 12.50%, 3/01/18 (b)	2,980	3,419,550
<b>Hotels, Restaurants &amp; Leisure 1.1%</b>		
	6,892	689



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HRP Myrtle Beach Holdings LLC, 14.50%, 4/01/14 (a)(b)(d)		
HRP Myrtle Beach Operations LLC (a)(b)(d):		
7.38%, 4/01/12	5,000	500
12.50%, 4/01/13	5,000	500
Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(d)	2,560	848,000
MGM Mirage:		
13.00%, 11/15/13	345	393,300
11.13%, 11/15/17 (b)	1,340	1,450,550
Travelport LLC, 5.16%, 9/01/14 (f)	2,160	2,008,800
Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(d)	530	716
		4,703,055

Corporate Bonds	Par (000)	Value
<b>Household Durables 1.2%</b>		
Beazer Homes USA, Inc., 12.00%, 10/15/17	USD 1,700	\$ 1,887,000
K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16	2,245	2,295,512
Standard Pacific Corp.:		
6.25%, 4/01/14	315	294,525
7.00%, 8/15/15	600	552,000
		5,029,037

<b>IT Services 0.3%</b>		
SunGard Data Systems, Inc., 4.88%, 1/15/14	1,265	1,179,613

<b>Independent Power Producers &amp; Energy Traders 2.6%</b>		
The AES Corp., 8.75%, 5/15/13 (b)	261	264,915
AES Eastern Energy LP, Series 99-B, 9.67%, 1/02/29	1,010	1,098,375
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)	1,750	1,767,500
Energy Future Holdings Corp.:		
12.00%, 11/01/17 (c)	960	611,905
10.00%, 1/15/20 (b)	1,200	1,194,000
NRG Energy, Inc.:		
7.25%, 2/01/14	5,500	5,431,250
8.50%, 6/15/19	800	774,000
		11,141,945

<b>Industrial Conglomerates 1.6%</b>		
Sequa Corp. (b):		
11.75%, 12/01/15	2,850	2,850,000
13.50%, 12/01/15 (c)	4,023	4,098,273
		6,948,273

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**Insurance 0.6%**

Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)	1,100	1,095,875
USI Holdings Corp., 4.31%, 11/15/14 (b)(f)	1,630	1,304,000
		2,399,875

**Leisure Equipment & Products 0.3%**

Brunswick Corp., 11.25%, 11/01/16 (b)	1,225	1,372,000
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**Machinery 1.5%**

ESCO Corp., 4.13%, 12/15/13 (b)(f)	3,070	2,828,237
Navistar International Corp., 8.25%, 11/01/21	2,000	2,000,000
Titan International, Inc., 8.00%, 1/15/12	1,530	1,602,675
		6,430,912

**Media 6.9%**

Affinion Group, Inc., 10.13%, 10/15/13	2,835	2,884,612
CCO Holdings LLC, 7.88%, 4/30/18 (b)	2,075	2,036,094

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## Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)  
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)		Value
<b>Media (concluded)</b>				
CSC Holdings, Inc., 8.50%, 4/15/14 (b)	USD	680	\$	707,200
Clear Channel Worldwide Holdings, Inc. (b):				
Series A, 9.25%, 12/15/17		639		646,988
Series B, 9.25%, 12/15/17		5,422		5,516,885
DISH DBS Corp., 7.00%, 10/01/13		3,000		3,045,000
Gannett Co., Inc., 9.38%, 11/15/17 (b)		1,015		1,063,213
Intelsat Corp., 9.25%, 8/15/14		4,500		4,578,750
McClatchy Co., 11.50%, 2/15/17 (b)		1,355		1,361,775
Nielsen Finance LLC, 11.63%, 2/01/14		1,925		2,059,750
Seat Pagine Gialle SpA, 10.50%, 1/31/17 (b)	EUR	1,077		1,242,336
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)	USD	1,795		1,628,962
UPC Germany GmbH, 8.13%, 12/01/17 (b)		3,000		2,940,000
				29,711,565
<b>Metals &amp; Mining 1.0%</b>				
Aleris International, Inc. (a)(d):				
9.00%, 12/15/14		1,100		2,750
10.00%, 12/15/16		1,500		10,275
Murray Energy Corp., 10.25%, 10/15/15 (b)		790		786,050
RathGibson, Inc., 11.25%, 2/15/14 (a)(d)		4,440		53,280
Ryerson, Inc., 7.72%, 11/01/14 (f)(i)		3,595		3,347,844
				4,200,199
<b>Multiline Retail 0.8%</b>				
Dollar General Corp.:				
10.63%, 7/15/15		1,075		1,171,750
11.88%, 7/15/17 (c)		1,775		2,014,625
				3,186,375
<b>Oil, Gas &amp; Consumable Fuels 3.0%</b>				
Arch Coal, Inc., 8.75%, 8/01/16 (b)		235		239,700

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Atlas Energy Operating Co. LLC: 12.13%, 8/01/17	1,440	1,598,400
10.75%, 2/01/18	355	376,300
Coffeyville Resources LLC, 9.00%, 4/01/15 (b)	490	485,100
Consol Energy, Inc., 8.25%, 4/01/20 (b)	1,750	1,787,187
Crosstex Energy LP, 8.88%, 2/15/18 (b)	620	610,700
Denbury Resources, Inc.: 9.75%, 3/01/16	925	987,438
8.25%, 2/15/20	670	691,775
El Paso Corp., 7.00%, 6/15/17	1,500	1,465,162

Corporate Bonds	Par (000)	Value
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**Oil, Gas & Consumable Fuels (concluded)**

Forest Oil Corp.: 8.50%, 2/15/14 (b)	USD	470	\$	482,925
7.25%, 6/15/19		150		141,188
Massey Energy Co., 6.88%, 12/15/13		1,300		1,248,000
OPTI Canada, Inc., 9.00%, 12/15/12 (b)		1,850		1,859,250
Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 (b)		1,760		704,000
				12,677,125

**Paper & Forest Products 3.4%**

Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(c)		4,207		3,880,538
Clearwater Paper Corp., 10.63%, 6/15/16 (b)		640		702,400
Georgia-Pacific LLC, 8.25%, 5/01/16 (b)		2,950		3,068,000
NewPage Corp.: 10.00%, 5/01/12		820		476,625
11.38%, 12/31/14		5,470		5,114,450
Verso Paper Holdings LLC: 11.50%, 7/01/14 (b)		550		587,125
Series B, 4.09%, 8/01/14 (f)		890		740,925
				14,570,063

**Pharmaceuticals 0.4%**

Angiotech Pharmaceuticals, Inc., 4.29%, 12/01/13 (f)		1,570		1,224,600
Novasep Holding SAS, 9.63%, 12/15/16 (b)	EUR	564		636,741
				1,861,341

**Real Estate Investment Trusts (REITs) 0.2%**

Omega Healthcare Investors, Inc., 7.50%, 2/15/20 (b)	USD	1,010		999,900
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**Semiconductors & Semiconductor Equipment 0.3%**

		235		230,594
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Advanced Micro Devices, Inc., 8.13%, 12/15/17 (b)		
STATS ChipPAC Ltd.:		
7.50%, 7/19/10	285	285,356
6.75%, 11/15/11	615	614,231
		1,130,181

**Software 0.0%**

BMS Holdings, Inc., 7.89%, 2/15/12 (b)(c)	1,702	34,037
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**Specialty Retail 0.5%**

General Nutrition Centers, Inc., 10.75%, 3/15/15	810	816,075
United Auto Group, Inc., 7.75%, 12/15/16	1,275	1,201,688
		2,017,763

**Textiles, Apparel & Luxury Goods 0.3%**

Phillips-Van Heusen Corp.: 7.38%, 5/15/20	925	929,625
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## Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)  
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
<b>Textiles, Apparel &amp; Luxury Goods (concluded)</b>		
Phillips-Van Heusen Corp. (concluded):		
7.75%, 11/15/23	USD 410	\$ 434,653
		1,364,278
<b>Wireless Telecommunication Services 3.4%</b>		
Cricket Communications, Inc.,		
7.75%, 5/15/16	3,050	3,095,750
Digicel Group Ltd. (b):		
9.13%, 1/15/15 (c)	3,948	3,849,300
8.25%, 9/01/17	300	294,000
MetroPCS Wireless, Inc.:		
9.25%, 11/01/14	760	782,800
9.25%, 11/01/14	2,100	2,142,000
Nextel Communications, Inc.,		
Series E, 6.88%, 10/31/13	2,275	2,178,312
Orascom Telecom Finance SCA,		
7.88%, 2/08/14 (b)	755	679,500
Sprint Capital Corp.:		
8.38%, 3/15/12	625	643,750
6.88%, 11/15/28	1,000	831,250
		14,496,662
<b>Total Corporate Bonds 58.1%</b>		<b>248,452,549</b>

## Floating Rate Loan Interests (f)

<b>Aerospace &amp; Defense 0.4%</b>		
Hawker Beechcraft Acquisition Co., LLC:		
Incremental Term Loan,		
10.50%, 3/26/14	473	467,190
Letter of Credit Facility		
Deposit, 2.10%, 3/26/14	95	78,415
Term Loan, 2.34%, 3/26/14	1,605	1,318,419
		1,864,024
<b>Airlines 0.4%</b>		
Delta Air Lines, Inc., Credit-Linked		
Deposit Loan, 0.20% - 2.32%,		
4/30/12	1,940	1,852,700

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**Auto Components 2.7%**

Affinion Group Holdings, Inc.:		
Loan, 7.89%, 3/01/12	3,062	2,881,699
Term Loan B, 5.00%, 4/08/16	1,000	956,250
Allison Transmission, Inc., Term Loan, 3.01% - 3.10%, 8/07/14	7,354	6,668,209
Dana Holding Corp., Term Advance, 4.53% - 4.73%, 1/30/15	349	335,874
The Goodyear Tire & Rubber Co., Loan (Second Lien), 2.24%, 4/30/14	750	690,781
		11,532,813

Floating Rate Loan Interests (f)	Par (000)	Value
<b>Automobiles 0.7%</b>		
Ford Motor Co.:		
Tranche B-1 Term Loan, 3.31% - 3.34%, 12/15/13	USD 2,248	\$ 2,092,773
Tranche B-2 Term Loan, 3.26%, 12/15/13	1,117	1,035,386
		3,128,159

**Beverages 0.8%**

Culligan International Co., Loan (Second Lien), 5.16%, 4/24/13	EUR 1,500	938,766
SW Acquisitions Co., Inc., Term Loan, 5.75%, 6/01/16	USD 2,644	2,636,111
		3,574,877

**Building Products 0.9%**

Building Materials Corp. of America, Term Loan Advance, 3.13%, 2/22/14	1,047	1,010,534
Goodman Global, Inc., Term Loan, 6.25%, 2/13/14	2,683	2,680,037
		3,690,571

**Chemicals 3.9%**

CF Industries Holdings, Inc., Bridge Loan, 4.50%, 3/17/15	4,240	4,235,463
Chemtura Corp., Debtor in Possession Return of Capital Term Loan, 6.00%, 1/26/11	1,600	1,603,000
Gentek Holding, LLC, Tranche B Term Loan, 7.00%, 10/29/14	798	797,501
Matrix Acquisition Corp. (FKA MacDermid, Inc.), Tranche C Term Loan, 2.65%, 12/15/13	EUR 700	773,101
Nalco Co., Term Loan, 6.50%, 5/13/16	USD 1,712	1,710,636

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PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.59% - 3.61%, 7/30/14	3,965	3,603,194
Rockwood Specialties Group, Inc., Term Loan H, 6.00%, 5/15/14	1,600	1,597,000
Solutia, Inc., Term Loan, 4.75%, 3/01/17	2,300	2,296,166
		<hr/>
		16,616,061

**Commercial Services & Supplies 2.0%**

ARAMARK Corp.:		
Letter of Credit, 2.23%, 1/26/14	42	39,637
Line of Credit, 3.60%, 7/26/16	64	61,726
Term Loan B, 3.54%, 7/26/16	970	938,587
US Term Loan, 2.17%, 1/26/14	632	602,721
Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan, 3.11%, 10/21/13	814	772,823
Casella Waste Systems, Inc., Term Loan B, 7.00%, 4/09/14	387	386,107

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2010

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## Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)  
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (f)	Par (000)	Value
<b>Commercial Services &amp; Supplies (concluded)</b>		
International Lease Finance Corp.:		
Term Loan 1, 6.75%, 2/23/15 USD	2,800	\$ 2,734,200
Term Loan 2, 7.00%, 3/05/16	975	948,675
Synagro Technologies, Inc., Term Loan (First Lien), 2.34% - 2.36%, 4/02/14	788	708,069
West Corp., Incremental Term Loan B-3, 7.25%, 10/24/13	1,535	1,533,749
		<u>8,726,294</u>
<b>Construction &amp; Engineering 0.6%</b>		
Safeway Services, LLC, First Out Term Loan, 9.00%, 12/14/17	2,750	2,750,000
<b>Consumer Finance 2.7%</b>		
American General Finance Corp., Term Loan, 7.25%, 4/16/16	5,000	4,840,000
Chrysler Financial Corp., Term Loan (Second Lien), 6.84%, 8/02/13	6,865	6,775,508
		<u>11,615,508</u>
<b>Containers &amp; Packaging 0.7%</b>		
Anchor Glass Container Corp., Term Loan B, 6.00%, 2/18/16	751	743,290
BWAY Corp.:		
Term Loan, 5.50%, 5/21/17	1,371	1,364,021
Term Loan Canada, 5.50%, 5/20/17	129	128,228
Berry Plastics Holding Corp., Term Loan C, 2.26%, 4/03/15	895	801,867
		<u>3,037,406</u>
<b>Diversified Consumer Services 2.0%</b>		
Coinmach Service Corp., Term Loan, 3.47%, 11/14/14	5,145	4,472,706
Laureate Education, Series A New Term Loan, 7.00%, 8/15/14	4,308	4,254,733
		<u>8,727,439</u>

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<b>Diversified Financial Services</b>	<b>1.7%</b>		
CIT Group, Inc., Tranche 2A Term Loan, 9.50%, 1/20/12		2,335	2,384,319
MSCI, Inc., Term Loan B, 4.75%, 6/30/16		2,150	2,141,937
Reynolds Group Holdings, Inc.: Term Loan (First Lien), 5.75%, 5/05/16		1,400	1,389,500
US Term Loan, 6.25%, 5/05/16		1,193	1,173,619
			<u>7,089,375</u>

<b>Diversified Telecommunication Services</b>	<b>1.7%</b>		
Hawaiian Telcom Communications, Inc., Tranche C Term Loan, 4.75%, 5/30/14		4,616	3,254,434

<b>Floating Rate Loan Interests (f)</b>	<b>Par (000)</b>	<b>Value</b>
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<b>Diversified Telecommunication Services (concluded)</b>			
Level 3 Communications, Incremental Term Loan, 2.55%, 3/13/14	USD	2,250	\$ 2,022,590
US Telepacific Corp., Term Loan (Second Lien), 9.25%, 7/25/15		775	773,547
Wind Telecomunicazioni SpA: Term Loan B2 Facility, 4.66%, 5/26/14		573	548,169
Term Loan C2 Facility, 3.66%, 5/24/13		573	548,169
			<u>7,146,909</u>

<b>Electronic Equipment, Instruments &amp; Components</b>	<b>0.5%</b>		
CDW Computer Centers, Inc., Term Loan B, 3.30%, 10/10/14		2,265	1,993,200

<b>Energy Equipment &amp; Services</b>	<b>0.4%</b>		
MEG Energy Corp., Term Loan D, 6.00%, 4/03/16		1,917	1,888,371

<b>Food &amp; Staples Retailing</b>	<b>2.1%</b>		
AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots), Facility B1, 3.56%, 7/09/15	GBP	1,700	2,211,846
DSW Holdings, Inc., Term Loan, 4.34%, 3/02/12	USD	800	768,000
Pierre Foods, Term Loan B, 7.00%, 2/17/16		1,121	1,126,417
Pilot Travel Centers, Term Loan B, 5.25%, 11/18/15		2,500	2,495,982
Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15		2,242	2,273,660
			<u>8,875,905</u>

<b>Food Products</b>	<b>2.0%</b>		
Dole Food Co., Inc.:			

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Credit-Linked Deposit, 8.07%, 4/12/13	288	287,876
Term Loan B, 5.00% - 5.50%, 2/10/17	1,045	1,043,393
Term Loan C, 5.00% - 5.50%, 2/10/17	2,595	2,591,526
Pilgrim s Pride Corp., Term Loan A, 5.29%, 12/01/12	1,430	1,415,700
Pinnacle Foods Finance LLC, Tranche C Term Loan, 7.50%, 4/02/14	3,200	3,163,002
		8,501,497

**Health Care Equipment & Supplies 0.7%**

DJO Finance LLC (ReAble Therapeutics Finance LLC), Term Loan, 3.35%, 5/20/14	3,082	2,963,321
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**Health Care Providers & Services 3.4%**

Ardent Health Services, Inc., Term Loan, 6.50%, 8/10/15	1,200	1,173,000
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## Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)  
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (f)	Par (000)	Value
<b>Health Care Providers &amp; Services (concluded)</b>		
CHS/Community Health Systems, Inc.:		
Delayed Draw Term Loan, 2.79%, 7/25/14	USD 190	\$ 177,924
Funded Term Loan, 2.60% - 2.79%, 7/25/14	3,746	3,502,242
DaVita, Inc., Tranche B-1 Term Loan, 1.79% - 1.85%, 10/05/12	600	585,334
HCA, Inc.:		
Tranche A-1 Term Loan, 1.79%, 11/16/12	5,164	4,885,085
Tranche B-1 Term Loan, 2.54%, 11/18/13	245	231,525
Harden Healthcare, Term Loan A, 8.50%, 2/22/15	796	780,436
Renal Advantage Holdings, Inc., Term Loan, 6.00%, 5/25/16	1,100	1,094,500
Vanguard Health Holding Co. II, LLC (Vanguard Health Systems, Inc.), Initial Term Loan, 5.00%, 1/29/16	2,100	2,071,650
		14,501,696
<b>Health Care Technology 0.7%</b>		
IMS Healthcare, Term Loan B, 5.25%, 2/16/16	2,971	2,944,108
<b>Hotels, Restaurants &amp; Leisure 3.0%</b>		
Blackstone UTP Capital LLC, Loan, 7.75%, 11/06/14	2,494	2,493,750
Green Valley Ranch Gaming, LLC, Loan (Second Lien), 8.00%, 8/16/14 (a)(d)	750	44,062
Harrah's Operating Co., Inc.:		
Term Loan B-1, 3.32%, 1/28/15	449	374,931
Term Loan B-2, 3.32%, 1/28/15	565	471,202
Term Loan B-3, 3.29% - 3.32%, 1/28/15	2,223	1,852,212
Term Loan B-4, 9.50%, 10/31/16	2,244	2,245,933
Six Flags Theme Parks, Inc., Exit Term Loan, 6.00%, 4/19/16	3,500	3,476,851
VML US Finance LLC (FKA Venetian Macau):		

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New Project Term Loan, 4.80%, 5/27/13	832	802,194
Term B Delayed Draw Project Loan, 4.80%, 5/25/12	1,064	1,024,461
Term B Funded Project Loan, 4.80%, 5/27/13	184	177,610
		12,963,206

**IT Services 2.2%**

Ceridian Corp., US Term Loan, 3.35%, 11/09/14	2,910	2,667,720
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Floating Rate Loan Interests (f)	Par (000)	Value
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**IT Services (concluded)**

First Data Corp.:		
Initial Tranche B-2 Term Loan, 3.03% - 3.04%, 9/24/14	USD 3,830	\$ 3,220,620
Initial Tranche B-3 Term Loan, 3.03% - 3.04%, 9/24/14	2,685	2,260,249
SunGard Data Systems, Inc. (Solar Capital Corp.):		
Incremental Term Loan, 6.75%, 2/28/14	350	347,521
Tranche B US Term Loan, 3.89% - 4.00%, 2/28/16	713	692,712
		9,188,822

**Independent Power Producers & Energy Traders 0.7%**

Dynegy Holdings, Inc.:		
Term Letter of Credit Facility, 4.11%, 4/02/13	925	880,212
Tranche B Term Loan, 4.11%, 4/02/13	74	70,676
Texas Competitive Electric Holdings Co., LLC (TXU):		
Initial Tranche B-2 Term Loan, 3.79% - 4.07%, 10/10/14	2,177	1,672,301
Initial Tranche B-3 Term Loan, 3.79% - 3.80%, 10/10/14	197	150,435
		2,773,624

**Industrial Conglomerates 0.3%**

Sequa Corp., Term Loan, 3.48% - 3.55%, 12/03/14	1,394	1,272,891
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**Insurance 0.1%**

Alliant Holdings I, Inc., Term Loan, 3.29%, 8/21/14	592	542,051
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**Internet & Catalog Retail 0.3%**

FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14	1,096	1,093,513
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**Leisure Equipment & Products 0.3%**

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EB Sports Corp., Loan, 11.50%, 5/01/12	1,466	1,392,281
<b>Machinery 0.9%</b>		
Accuride Corp., Term Loan, 9.75%, 1/31/12	2,045	2,034,350
Bucyrus International, Term Loan C, 4.50%, 1/26/16	900	894,750
Generac Acquisition Corp., Term Loan (First Lien), 2.79%, 11/10/13	343	316,379
Oshkosh Truck Corp., Term Loan B, 6.26%, 12/06/13	722	720,872
		<u>3,966,351</u>

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2010

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## Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)  
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (f)	Par (000)	Value
<b>Media 7.9%</b>		
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	USD 2,532	\$ 2,545,107
Charter Communications Operating, LLC: New Term Loan, 2.30%, 3/06/14	548	506,626
Term Loan B1, 2.30%, 3/25/14	1,200	1,199,813
Term Loan C, 3.55%, 9/06/16	5,316	4,948,369
Ellis Communications KDOC, LLC, Loan, 10.00%, 12/30/11	6,303	2,363,533
HMH Publishing Co., Ltd., Tranche A Term Loan, 5.53%, 6/12/14	3,172	2,904,584
Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.63% - 2.75%, 3/10/14	744	409,359
Lavena Holding 3 GmbH (Prosiebensat.1 Media AG): Facility B1, 3.34%, 6/30/15	EUR 337	305,428
Facility C1, 3.59%, 6/30/16	674	610,856
Mediacom Illinois, LLC (FKA Mediacom Communications, LLC), Tranche D Term Loan, 5.50%, 3/31/17	USD 995	982,314
Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	4,250	4,462,500
Sinclair Television Group, Inc., Tranche B Term Loan, 6.75%, 10/29/15	924	924,520
Springer Science+Business Media SA, Facility A1, 6.75%, 7/01/16	EUR 1,900	2,322,831
Sunshine Acquisition Ltd. (FKA HIT Entertainment), Term Facility, 5.60%, 3/20/12	USD 1,444	1,329,046
UPC Financing Partnership, Facility Term Loan, 3.93%, 12/30/16	2,000	1,931,666
Virgin NTL Cable Plc, Term Loan B, 4.41%, 12/31/15	GBP 1,250	1,740,933
Weather Channel, Term Loan B, 5.00%, 9/14/15	USD 2,313	2,306,158
Worldcolor Press Inc. and Worldcolor (USA) Corp. (FKA Quebecor World, Inc.), Advance, 9.00%, 7/23/12	796	801,634
	1,406	1,364,063

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Yell Group Plc TPI, Term Loan A,  
2.48%, 8/09/11

33,959,340

**Metals & Mining 1.4%**

Euramax International, Inc., Domestic

Term Loan:

10.00%, 6/29/13	1,286	1,201,208
14.00%, 6/29/13 (c)	1,354	1,264,706

**Floating Rate Loan Interests (f)**

Par  
(000)

Value

**Metals & Mining (concluded)**

RathGibson, Inc., Loan Debtor in

Possession, 10.75%,

6/30/10 (c)

USD 3,665 \$ 3,665,418

6,131,332

**Multi-Utilities 0.4%**

Energy Transfer Equity, LP, Term

Loan, 2.09%, 11/01/12

750 733,928

FirstLight Power Resources, Inc. (FKA

NE Energy, Inc.):

Synthetic Letter of Credit,

2.81%, 11/01/13

53 49,783

Term B Advance (First Lien),

2.81%, 11/01/13

509 481,226

USPF Holdings, LLC, Term Loan,

2.10%, 4/11/14

431 426,098

1,691,035

**Multiline Retail 1.6%**

Dollar General Corp., Tranche B-2

Term Loan, 3.09% - 3.10%,

7/07/14

2,179 2,077,874

Hema Holding BV:

Facility B, 2.42%, 7/06/15

EUR 369 429,463

Facility C, 3.17%, 7/05/16

369 429,463

Facility D, 5.42%, 1/01/17

2,900 3,131,672

The Neiman Marcus Group, Inc.,

Term Loan, 2.25% - 2.28%,

4/06/13

USD 1,020 930,325

6,998,797

**Oil, Gas & Consumable Fuels 2.8%**

Big West Oil, LLC:

Delayed Draw Loan, 4.50%,

5/15/14

1,117 1,101,538

Initial Advance Loan, 4.50%,

5/15/14

888 875,942

Initial Advance Loan, 12.00%,

1/26/15

1,500 1,502,501

Tronox Worldwide LLC:

Tranche B-1 Term Loan,

9.00%, 6/24/10

2,174 2,181,207



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Tranche B-2 Term Loan, 9.00%, 6/24/10	676	677,699
Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18 (c)	6,187	5,568,020
		<u>11,906,907</u>

**Paper & Forest Products 0.7%**

Georgia-Pacific LLC, Term Loan B, 2.25% - 2.54%, 12/23/12	214	209,156
Verso Paper Finance Holdings LLC, Loan, 6.60% - 7.35%, 2/01/13 (c)	4,137	2,689,094
		<u>2,898,250</u>

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BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2010

## Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)  
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (f)	Par (000)	Value
<b>Personal Products 0.3%</b>		
American Safety Razor Co., LLC: Loan (Second Lien), 10.50%, 1/30/14	USD 1,075	\$ 443,437
Term Loan (First Lien), 6.75%, 7/31/13	723	656,448
		1,099,885
<b>Pharmaceuticals 0.9%</b>		
Warner Chilcott Co., LLC, Term Loan A, 5.50%, 10/30/14	1,274	1,272,288
Warner Chilcott Corp.: Additional Term Loan, 5.75%, 4/30/15	591	589,684
Term Loan B-1, 5.75%, 4/30/15	984	981,931
Term Loan B-2, 5.75%, 4/30/15	928	926,051
		3,769,954
<b>Professional Services 0.4%</b>		
Booz Allen Hamilton, Inc., Term Loan C, 6.00%, 7/31/15	1,746	1,743,007
<b>Real Estate Management &amp; Development 1.8%</b>		
Enclave, Term Loan (First Lien), 6.14%, 3/01/12 (a)(d)	4,000	
Georgian Towers, Term Loan, 6.14%, 3/01/12 (a)(d)	4,000	
Realogy Corp.: Delayed Draw Term Loan B, 3.29%, 10/10/13	1,471	1,240,307
Initial Term Loan B, 3.29%, 10/10/13	4,430	3,734,107
Synthetic Letter of Credit, 3.35%, 10/10/13	1,193	1,005,337
Term Loan (Second Lien), 13.50%, 10/15/17	1,500	1,575,000
		7,554,751
<b>Software 0.4%</b>		
Reynolds & Reynolds, Term Loan, 5.25%, 4/16/17	538	533,630

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Telcordia Technologies, Inc., Term Loan B, 6.75%, 4/09/16	USD	1,300	1,277,250
			<u>1,810,880</u>

**Specialty Retail 0.7%**

Bass Pro Group LLC Term Loan B, 5.00% - 5.75%, 4/06/15		620	616,497
Burlington Coat Factory Warehouse Corp., Term Loan, 2.57% - 2.76%, 5/28/13		680	624,143
Michaels Stores, Inc.: Term Loan B-1, 2.56% - 2.81%, 10/31/13		1,384	1,258,984

<b>Floating Rate Loan Interests (f)</b>	<b>Par (000)</b>	<b>Value</b>
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**Specialty Retail (concluded)**

Michaels Stores, Inc. (concluded): Term Loan B-2, 4.81% - 5.06%, 7/31/16	USD	543	\$ 515,684
			<u>3,015,308</u>

**Textiles, Apparel & Luxury Goods 0.4%**

PVH/Hilfiger, US Term Loan B, 4.75%, 4/19/16		1,800	1,799,156
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**Wireless Telecommunication Services 0.4%**

Cavtel Holdings, LLC, Term Loan, 10.50%, 12/31/12		823	759,763
MetroPCS Wireless, Inc., Tranche B Term Loan, 2.56% - 2.63%, 11/03/13		995	952,565
			<u>1,712,328</u>

<b>Total Floating Rate Loan Interests 58.9%</b>			<u>252,303,903</u>
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<b>Other Interests (j)</b>	<b>Beneficial Interest (000)</b>	
<b>Airlines 0.0%</b>		
Delta Air Lines, Inc. Default: 8.33% Escrow	5,505	110,100
10% Escrow	4,200	84,000
		<u>194,100</u>

<b>Auto Components 0.1%</b>		
Intermet Liquidating Trust, Class A	1,074	265,397

**Diversified Financial Services 0.3%**

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J.G. Wentworth LLC Preferred Equity Interests (k)	1	1,190,710
<b>Household Durables 0.2%</b>		
Stanley Martin Class B Membership Units (k)	2	947,250
<b>Media 0.0%</b>		
Adelphia Escrow	7,500	750
Adelphia Preferred Escrow	5	1
Adelphia Recovery Trust	9,406	37,624
Adelphia Recovery Trust, Series ACC-6B INT	500	50
		38,425
<b>Specialty Retail 0.0%</b>		
Buffets, Inc.	1,440	144
Movie Gallery, Inc. Default Escrow	21,700	217
		361
<b>Total Other Interests 0.6%</b>		2,636,243

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2010

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## Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)  
(Percentages shown are based on Net Assets)

Warrants (l)	Shares	Value
<b>Building Products 0.0%</b>		
Neenah Enterprises Inc. (expires 9/30/13)	130,547	\$ 1
<b>Health Care Providers &amp; Services 0.0%</b>		
HealthSouth Corp. (expires 1/16/14)	126,761	1
<b>Hotels, Restaurants &amp; Leisure 0.0%</b>		
Buffets Restaurants Holdings, Inc. (expires 4/29/14)	1,216	12
<b>Media 0.0%</b>		
Charter Communications, Inc. (expires 11/30/14)	12,661	53,809
<b>Oil, Gas &amp; Consumable Fuels 0.0%</b>		
Turbo Cayman Ltd. (no expiration)	4	
<b>Software 0.0%</b>		
HMH Holdings/EduMedia (expires 3/09/17)	24,924	
<b>Specialty Retail 0.0%</b>		
Movie Gallery, Inc. (expires 5/15/15)	62,323	31,162
<b>Total Warrants 0.0%</b>		84,985
<b>Total Long-Term Investments</b> (Cost \$613,979,113) 122.8%		525,812,813
<b>Short-Term Securities</b>		
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.16% (m)(n)	8,589,350	8,589,350
<b>Total Short-Term Securities</b> (Cost \$8,589,350) 2.0%		8,589,350
		534,402,163

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<b>Total Investments</b>	
(Cost \$622,568,463*)	124.8%
<b>Liabilities in Excess of Other Assets</b>	(24.8)%
	(106,315,998)
<b>Net Assets</b>	100.0%
	\$ 428,086,165

\* The cost and unrealized appreciation (depreciation) of investments as of May 31, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 622,018,826
Gross unrealized appreciation	\$ 22,223,571
Gross unrealized depreciation	(109,840,234)
Net unrealized depreciation	\$ (87,616,663)

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Represents a payment-in-kind security which may pay interest/dividends in additional face/shares.
- (d) Issuer filed for bankruptcy and/or is in default of interest payments.
- (e) As a result of bankruptcy proceedings, the company did not repay the principal amount or accrued interest of the security upon maturity.
- (f) Variable rate security. Rate shown is as of report date.
- (g) Convertible security.
- (h) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (i) All or a portion of security has been pledged as collateral in connection with swaps.
- (j) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (k) The investment is held by a wholly owned taxable subsidiary of the Fund.
- (l) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.
- (m) Represents the current yield as of report date.
- (n) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at February 28, 2010	Net Activity	Shares Held at May 31, 2010	Income
BlackRock Liquidity Funds, TempFund,	1,319,723	7,269,627	8,589,350	\$ 956

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Institutional Class

Foreign currency exchange contracts as of May 31, 2010 were as follows:

Currency Purchased		Currency Sold		Counter-party	Settlement Date	Unrealized Appreciation (Depreciation)
EUR	210,200	USD	259,630	Citibank NA	7/14/10	\$ (1,549)
EUR	33,000	USD	41,546	Citigroup Global	7/14/10	(1,029)
USD	17,677,415	EUR	14,085,500	BNP Paribas	7/14/10	383,403
USD	1,570,271	EUR	1,278,000	Citibank NA	7/14/10	1,157
GBP	4,365,000	USD	6,478,529	Citibank NA	7/28/10	(165,148)
USD	2,804,083	CAD	2,810,000	Citibank NA	7/28/10	134,467
USD	1,509,000	GBP	2,329,904	Citibank NA	7/28/10	147,340
USD	9,598,130	GBP	6,203,500	Royal Bank of Scotland Plc	7/28/10	625,608
<b>Total</b>						\$ 1,124,249

## Schedule of Investments (continued)

## BlackRock Debt Strategies Fund, Inc. (DSU)

Credit default swaps on traded indexes buy protection outstanding as of May 31, 2010 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional Amount (000)	Unrealized Appreciation (Depreciation)
K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2011	USD 855	\$ 9,278
K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2012	USD 425	5,027
Brunswick Corp.	5.00%	Goldman Sachs Bank USA	September 2014	USD 325	(28,949)
Boston Scientific Corp.	1.00%	Goldman Sachs Bank USA	December 2014	USD 900	30,590
<b>Total</b>					<b>\$ 15,946</b>

Credit default swaps on traded indexes sold protection outstanding as of May 31, 2010 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration	Credit Rating <sup>1</sup>	Notional Amount (000) <sup>2</sup>	Unrealized Depreciation
BAA Ferrovial, Junior Term Loan	2.00%	Deutsche Bank AG	March 2012	A-	GBP 900	\$ (52,530)

<sup>1</sup> Using S&P's rating of the issuer.

<sup>2</sup> The maximum potential amount the Fund may pay should a negative credit take place as defined under the terms of the agreement.

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Fair Value Measurements - Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit



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risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its annual report.

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BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2010

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## Schedule of Investments (continued)

## BlackRock Debt Strategies Fund, Inc. (DSU)

The following tables summarize the inputs used as of May 31, 2010 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in Securities:				
Long-Term Investments:				
Common Stocks	\$ 14,881,469	\$ 5,081,240	\$ 2,372,424	\$ 22,335,133
Corporate Bonds		236,808,370	11,644,179	248,452,549
Floating Rate Loan Interests		206,369,513	45,934,390	252,303,903
Other Interests		194,100	2,442,143	2,636,243
Warrants	53,809	1	31,175	84,985
Short-Term Securities	8,589,350			8,589,350
<b>Liabilities:</b>				
Unfunded Loan Commitments			(37,260)	(37,260)
<b>Total</b>	<b>\$ 23,524,628</b>	<b>\$ 448,453,224</b>	<b>\$ 62,387,051</b>	<b>\$ 534,364,903</b>

Derivative Financial Instruments <sup>1</sup>				
Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Credit contracts		\$ 44,895		\$ 44,895
Foreign currency exchange contracts		1,291,975		1,291,975
<b>Liabilities:</b>				
Credit contracts		(28,949)	\$ (52,530)	(81,479)
Foreign currency exchange contracts		(167,726)		(167,726)
<b>Total</b>		<b>\$ 1,140,195</b>	<b>\$ (52,530)</b>	<b>\$ 1,087,665</b>

<sup>1</sup> Derivative financial instruments are swaps and foreign currency exchange contracts which are shown at the unrealized appreciation/depreciation on the instrument.

The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Warrants	Unfunded Loan	Total
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Commitments

Balance, as of February 28, 2010	\$ 311,675	\$ 11,805,208	\$ 58,483,045	\$ 2,253,500	\$ 31,175	\$ 72,884,603
Accrued discounts/premiums		146,355	147,613			293,968
Net realized gain (loss)		47,216	(1,087,015)	195,600		(844,199)
Net change in unrealized appreciation/depreciation <sup>2</sup>	420,027	41,724	3,789,372	272,472	\$ (37,260)	4,486,335
Purchases		5	2,178,637			2,178,642
Sales		(396,329)	(19,709,408)	(279,429)		(20,385,166)
Transfers in <sup>3</sup>	1,774,372		21,199,050			22,973,422
Transfers out <sup>3</sup>	(133,650)		(19,066,904)			(19,200,554)
<b>Balance, as of May 31, 2010</b>	<b>\$ 2,372,424</b>	<b>\$ 11,644,179</b>	<b>\$ 45,934,390</b>	<b>\$ 2,442,143</b>	<b>\$ 31,175</b>	<b>\$ (37,260) \$ 62,387,051</b>

<sup>2</sup> The change in the unrealized appreciation/depreciation on the securities still held on May 31, 2010 was \$1,597,945.

<sup>3</sup> The Fund's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

Schedule of Investments (concluded)

**BlackRock Debt Strategies Fund, Inc. (DSU)**

The following table is a reconciliation of Level 3 other financial instruments for which significant unobservable inputs were used in determining fair value:

	<b>Other Financial Instruments<sup>1</sup></b>
Balance, as of February 28, 2010	\$ (94,696)
Accrued discounts/premiums	
Net realized gain (loss)	
Net change in unrealized appreciation/depreciation <sup>2</sup>	42,166
Purchases	
Sales	
Transfers in <sup>3</sup>	
Transfers out <sup>3</sup>	
<b>Balance, as of May 31, 2010</b>	<b>\$ (52,530)</b>

<sup>1</sup> Other financial instruments are swaps.

<sup>2</sup> The change in the unrealized appreciation/depreciation on the securities still held on May 31, 2010 was \$42,166.

<sup>3</sup> The Fund's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

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### Item 2 – Controls and Procedures

2(a) – The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13(a)-15(b) under the Securities Exchange Act of 1934, as amended.

2(b) – There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

### Item 3 – Exhibits

Certifications – Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Debt Strategies Fund, Inc.

By: /s/ Anne F. Ackerley  
Anne F. Ackerley  
Chief Executive Officer of  
BlackRock Debt Strategies Fund, Inc.

Date: July 23, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Anne F. Ackerley  
Anne F. Ackerley  
Chief Executive Officer (principal executive officer) of  
BlackRock Debt Strategies Fund, Inc.

Date: July 23, 2010

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Debt Strategies Fund, Inc.

Date: July 23, 2010

