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BLACKROCK DEBT STRATEGIES FUND

Form N-Q

July 27, 2007

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 811-8603

Name of Fund: BlackRock Debt Strategies Fund, Inc.

Fund Address: P.O. Box 9011  
Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., Chief Executive Officer, BlackRock Debt Strategies Fund, Inc., 800 Scudders Mill Road, Plainsboro, NJ 08536. Mailing address: P.O. Box 9011, Princeton, NJ 08543-9011

Registrant's telephone number, including area code: (609) 282-2800

Date of fiscal year end: 02/28/2008

Date of reporting period: 03/01/07 - 05/31/07

Item 1 - Schedule of Investments

BlackRock Debt Strategies Fund, Inc.  
Schedule of Investments as of May 31, 2007 (unaudited)

Industry	Face Amount	Corporate Bonds
Aerospace & Defense - 3.4%	USD 5,000,000	Alliant Techsystems, Inc., 3% due 8/15/2024 (a)(c)
	7,500,000	L-3 Communications Corp., 3% due 8/01/2035 (a)(c)
	9,870,000	Vought Aircraft Industries, Inc., 8% due 7/15/2011
Automotive - 3.6%	300,000	Ford Motor Co., 7.45% due 7/16/2031
	760,000	Ford Motor Credit Co., 5.80% due 1/12/2009
	4,480,000	Ford Motor Credit Co., 8.105% due 1/13/2012 (b)
	750,000	Ford Motor Credit Co., 9.806% due 4/15/2012 (b)
	4,500,000	The Goodyear Tire & Rubber Co., 9.135% due 12/01/2009 (c)
	1,830,000	The Goodyear Tire & Rubber Co., 8.625% due 12/01/2011 (c)
	1,620,000	Lear Corp., 8.75% due 12/01/2016
	9,350,000	Metaldyne Corp., 11% due 6/15/2012
	1,530,000	Titan International, Inc., 8% due 1/15/2012 (c)
	1,380,000	United Auto Group, Inc., 7.75% due 12/15/2016 (c)
	4,450,000	Venture Holdings Co. LLC, 12% due 6/01/2009 (e)

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1,800,000 Venture Holdings Co. LLC Series B, 9.50% due 7/01/2005

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Broadcasting - 3.8%	5,000,000	Canadian Satellite Radio Holdings, Inc., 12.75% due 2/1
	1,100,000	LIN Television Corp. Series B, 6.50% due 5/15/2013
	2,800,000	Paxson Communications Corp., 8.606% due 1/15/2012 (b)(c)
	3,235,000	Sinclair Broadcast Group, Inc. Class A, 4.875% due 7/15
	5,795,000	Sirius Satellite Radio, Inc., 9.625% due 8/01/2013
	4,635,000	Umbrella Acquisition, 9.75% due 3/15/2015 (c)(g)
	2,800,000	XM Satellite Radio, Inc., 9.871% due 5/01/2013 (b)
	2,685,000	Young Broadcasting, Inc., 10% due 3/01/2011

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Cable - International - 0.1%	750,000	NTL Cable Plc, 8.75% due 4/15/2014
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Cable - U.S. - 7.6%	5,950,000	Cablevision Systems Corp. Series B, 9.82% due 4/01/2009
	3,750,000	Charter Communications Holdings LLC, 10% due 4/01/2009
	1,319,000	Charter Communications Holdings LLC, 11.125% due 1/15/2
	1,978,000	Charter Communications Holdings LLC, 10% due 5/15/2011
	1,289,000	Insight Midwest, LP, 9.75% due 10/01/2009
	8,605,000	Intelsat Bermuda Ltd., 11.409% due 6/15/2013 (b)
	2,880,000	Intelsat Bermuda Ltd., 8.872% due 1/15/2015 (b)
	7,260,000	Intelsat Corp., 9% due 6/15/2016
	10,350,000	Intelsat Intermediate Holding Co. Ltd., 9.25% due 2/01/
	3,375,000	Intelsat Subsidiary Holding Co. Ltd., 8.25% due 1/15/20
	4,800,000	Intelsat Subsidiary Holding Co. Ltd., 8.625% due 1/15/2
	983,000	Loral Spacecom Corp., 14% due 11/15/2015
	3,875,000	Mediacom LLC, 9.50% due 1/15/2013

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Chemicals - 5.8%	3,550,000	ARCO Chemical Co., 9.80% due 2/01/2020
	1,490,000	American Pacific Corp., 9% due 2/01/2015 (c)
	4,000,000	Compass Minerals International, Inc. Series B, 12% due
	9,783,000	GEO Specialty Chemicals, Inc., 13.85% due 12/31/2009 (a)
	3,100,000	Hexion U.S. Finance Corp., 9.86% due 11/15/2014 (b)(c)
	2,515,000	Ineos Group Holdings Plc, 8.50% due 2/15/2016 (c)
	1,200,000	Innophos Holdings, Inc., 9.50% due 4/15/2012 (c)
	1,360,000	MacDermid, Inc., 9.50% due 4/15/2017 (c)
	1,050,000	Momentive Performance Materials, Inc., 10.125% due 12/0
	14,060,000	NOVA Chemicals Corp., 8.484% due 11/15/2013 (b)
	2,500,000	PolyOne Corp., 6.89% due 9/22/2008

BlackRock Debt Strategies Fund, Inc.  
Schedule of Investments as of May 31, 2007

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Industry	Face Amount	Corporate Bonds
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Consumer -

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Non-Durables - 1.0%	USD	9,000,000	Hines Nurseries, Inc., 10.25% due 10/01/2011
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Diversified Media - 3.8%		280,000	Affinion Group, Inc., 10.125% due 10/15/2013
		800,000	Affinion Group, Inc., 11.50% due 10/15/2015
		2,000,000	Cadmus Communications Corp., 8.375% due 6/15/2014
		7,500,000	Liberty Media Corp., 0.75% due 3/30/2023 (a)
		2,675,000	Muzak Holdings, LLC, 13% due 3/15/2010 (h)
		3,875,000	NBC Acquisition Corp., 11% due 3/15/2013 (h)
		580,000	Network Communications, Inc., 10.75% due 12/01/2013
		4,325,000	Nielsen Finance LLC, 10% due 8/01/2014 (c)
		5,300,000	Universal City Florida Holding Co. I, 10.106% due 5/01/2014
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Energy - Exploration & Production - 0.9%		480,000	Berry Petroleum Co., 8.25% due 11/01/2016
		3,000,000	Chaparral Energy, Inc., 8.50% due 12/01/2015
		2,445,000	Compton Petroleum Finance Corp., 7.625% due 12/01/2013
		960,000	Stone Energy Corp., 8.106% due 7/15/2010 (b) (c)
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Energy - Other - 2.3%		2,735,000	Aleris International, Inc., 9% due 12/15/2014 (c) (g)
		8,000,000	Ocean RIG ASA, 9.35% due 4/04/2011 (b)
		6,300,000	SemGroup LP, 8.75% due 11/15/2015 (c)
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Financial - 1.6%		5,743,690	Archimedes Funding III Ltd., 5.50% due 11/29/2011 (b) (c)
		1,500,000	Investcorp SA, 7.54% due 10/21/2008
		2,000,000	Pennant CBO Ltd., 13.43% due 3/14/2011 (c)
		3,500,000	RAIT Financial Trust, 6.875% due 4/15/2027 (a) (c)
		1,630,000	USI Holdings Corp., 9.23% due 11/15/2014 (b) (c)
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Food & Tobacco - 0.1%		600,000	Swift & Co., 12.50% due 1/01/2010
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Gaming - 2.1%		1,250,000	Galaxy Entertainment Finance Co. Ltd., 9.875% due 12/15/2014
		2,560,000	Little Traverse Bay Bands of Odawa Indians, 10.25% due 12/15/2014
		915,000	Penn National Gaming, Inc., 6.75% due 3/01/2015
		1,015,000	Snoqualmie Entertainment Authority, 9.15% due 2/01/2014
		3,400,000	Station Casinos, Inc., 7.75% due 8/15/2016
		3,265,000	Tropicana Entertainment, LLC, 9.625% due 12/15/2014 (c)
		3,000,000	Tunica-Biloxi Gaming Authority, 9% due 11/15/2015 (c)
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Health Care - 4.9%		5,000,000	Angiotech Pharmaceuticals, Inc., 9.11% due 12/01/2013 (c)
		3,525,000	CDRV Investors, Inc., 9.75% due 1/01/2015 (h)
		3,525,000	Elan Finance Plc, 7.75% due 11/15/2011
		4,825,000	Elan Finance Plc, 9.36% due 11/15/2011 (b)
		7,025,000	HealthSouth Corp., 11.354% due 6/15/2014 (b) (c)
		6,000,000	Tenet Healthcare Corp., 7.375% due 2/01/2013
		1,000,000	Universal Hospital Services, Inc., 8.50% due 6/01/2015
		930,000	Universal Hospital Services, Inc., 8.759% due 6/01/2015
		1,400,000	VWR International, Inc., 8% due 4/15/2014
		4,100,000	Vanguard Health Holding Co. I, LLC, 11.25% due 10/01/2014
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Housing - 7.4%		3,000,000	CPG International I, Inc., 12.117% due 7/01/2012 (b)

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1,300,000	CPG International I, Inc., 10.50% due 7/01/2013
3,070,000	Esco Corp., 9.235% due 12/15/2013 (b) (c)
2,319,000	Goodman Global Holding Co., Inc., 8.36% due 6/15/2012 (c)
8,200,000	Goodman Global Holding Co., Inc., 7.875% due 12/15/2012 (c)
5,200,000	Masonite Corp., 11% due 4/06/2015 (c)
5,850,000	Nortek, Inc., 8.50% due 9/01/2014

BlackRock Debt Strategies Fund, Inc.  
 Schedule of Investments as of May 31, 2007

Industry	Face Amount	Corporate Bonds
USD	4,450,000	Ply Gem Industries, Inc., 9% due 2/15/2012
	4,770,000	Realogy Corp., 10.50% due 4/15/2014 (c)
	7,540,000	Realogy Corp., 11% due 4/15/2014 (c) (g)
	8,610,000	Realogy Corp., 12.375% due 4/15/2015 (c)
	2,250,000	Stanley-Martin Communities LLC, 9.75% due 8/15/2015
Information Technology - 5.3%	3,000,000	Amkor Technology, Inc., 7.125% due 3/15/2011
	210,000	Amkor Technology, Inc., 7.75% due 5/15/2013
	2,645,000	Amkor Technology, Inc., 9.25% due 6/01/2016
	2,275,000	BMS Holdings, Inc., 12.40% due 2/15/2012 (b) (c)
	245,000	Compagnie Generale de Geophysique SA, 7.50% due 5/15/2012 (c)
	670,000	Compagnie Generale de Geophysique-Veritas, 7.75% due 5/15/2012 (c)
	8,990,000	Freescale Semiconductor, Inc., 9.125% due 12/15/2014 (c)
	5,470,000	Freescale Semiconductor, Inc., 9.235% due 12/15/2014 (b) (c)
	630,000	Nortel Networks Ltd., 9.606% due 7/15/2011 (b) (c)
	375,000	Sanmina-SCI Corp., 8.125% due 3/01/2016
	3,370,000	Spansion, Inc., 8.485% due 6/01/2013 (b) (c)
	4,818,000	SunGard Data Systems, Inc., 10.25% due 8/15/2015
	2,915,026	UGS Capital Corp. II, 10.348% due 6/01/2011 (c) (g)
	3,500,000	Viasystems, Inc., 10.50% due 1/15/2011
Leisure - 2.7%	5,767,622	HRP Myrtle Beach Holdings LLC, 14.50% due 4/01/2014 (c)
	5,000,000	HRP Myrtle Beach Operations LLC, 10.07% due 4/01/2012 (c)
	5,000,000	HRP Myrtle Beach Operations LLC, 12.50% due 4/01/2013 (c)
	2,600,000	Travelport, Inc., 9.985% due 9/01/2014 (b) (c)
	2,000,000	True Temper Sports, Inc., 8.375% due 9/15/2011
Manufacturing - 2.8%	4,000,000	CPI Holdco, Inc., 11.151% due 2/01/2015 (b)
	175,000	Fedders North America, Inc., 9.875% due 3/01/2014
	3,815,000	Invensys Plc, 9.875% due 3/15/2011 (c)
	2,660,000	Jarden Corp., 7.50% due 5/01/2017
	4,135,000	NXP B.V., 8.106% due 10/15/2013
	2,300,000	NXP B.V., 9.50% due 10/15/2015
	1,480,000	RBS Global, Inc., 9.50% due 8/01/2014
	1,685,000	RBS Global, Inc., 8.875% due 9/01/2016

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Metal - Other - 2.9%	10,360,000	Freeport-McMoRan Copper & Gold, Inc., 8.564% due 4/01/2014
	6,100,000	Indalex Holding Corp. Series B, 11.50% due 2/01/2014
	4,550,000	RathGibson, Inc., 11.25% due 2/15/2014

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Packaging - 2.0%	665,000	Berry Plastics Holding Corp., 8.875% due 9/15/2014
	375,000	Berry Plastics Holding Corp., 9.235% due 9/15/2014 (b)
	1,100,000	Graham Packing Co., Inc., 9.875% due 10/15/2014
	705,000	Graphic Packaging International Corp., 9.50% due 8/15/2014
	6,215,000	Packaging Dynamics Finance Corp., 10% due 5/01/2016 (c)
	6,325,000	Wise Metals Group LLC, 10.25% due 5/15/2012

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Paper - 9.6%	6,500,000	Abitibi-Consolidated, Inc., 8.86% due 6/15/2011 (b)
	9,725,000	Ainsworth Lumber Co. Ltd., 9.10% due 10/01/2010 (b)
	8,000,000	Ainsworth Lumber Co. Ltd., 9.35% due 4/01/2013 (b)
	2,150,000	Boise Cascade LLC, 8.231% due 10/15/2012 (b)
	900,000	Boise Cascade LLC, 7.125% due 10/15/2014
	7,600,000	Bowater, Inc., 8.36% due 3/15/2010 (b)
	3,775,000	Domtar, Inc., 7.125% due 8/15/2015
	8,000,000	NewPage Corp., 11.606% due 5/01/2012 (b)

BlackRock Debt Strategies Fund, Inc.  
 Schedule of Investments as of May 31, 2007

Industry	Face Amount	Corporate Bonds
	USD 4,725,000	NewPage Corp., 12% due 5/01/2013
	13,625,000	Smurfit Kappa Funding Plc, 7.75% due 4/01/2015
	1,600,000	Smurfit-Stone Container Enterprises, Inc., 8.375% due 7/01/2015
	2,600,000	Smurfit-Stone Container Enterprises, Inc., 8% due 3/15/2015
	4,400,000	Verso Paper Holdings LLC, 9.106% due 8/01/2014 (b) (c)
	530,000	Verso Paper Holdings LLC, 11.375% due 8/01/2016 (c)

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Retail - 4.0%	2,215,000	Buffets, Inc., 12.50% due 11/01/2014
	700,000	Claire's Stores, Inc., 9.25% due 6/01/2015 (c)
	700,000	Claire's Stores, Inc., 10.50% due 6/01/2017 (c)
	5,560,000	General Nutrition Centers, Inc., 9.85% due 3/15/2014 (c)
	4,480,000	General Nutrition Centers, Inc., 10.75% due 3/15/2015 (c)
	3,790,000	Michaels Stores, Inc., 10% due 11/01/2014 (c)
	8,660,000	Michaels Stores, Inc., 11.375% due 11/01/2016 (c)
	2,900,000	Rite Aid Corp., 9.375% due 12/15/2015 (c)

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Service - 1.8%	2,000,000	Buhrmann U.S., Inc., 7.875% due 3/01/2015
	3,000,000	Neff Rental LLC, 11.25% due 6/15/2012
	1,090,000	PNA Intermediate Holding Corp., 12.36% due 2/15/2013 (b)
	4,280,000	Sally Holdings LLC, 10.50% due 11/15/2016 (c)
	810,000	Yankee Acquisition Corp., 8.50% due 2/15/2015

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1,395,000 Yankee Acquisition Corp., 9.75% due 2/15/2017

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Telecommunications - 2.7%      2,600,000 Nordic Telephone Co. Holdings ApS, 8.875% due 5/01/2016  
    7,900,000 Qwest Communications International, Inc., 8.86% due 2/1  
    2,675,000 Qwest Corp., 8.61% due 6/15/2013 (b)  
    6,000,000 Time Warner Telecom Holdings, Inc., 9.25% due 2/15/2014

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Transportation - 1.5%      1,250,000 Atlantic Express Transportation Corp., 12.609% due 4/15  
    790,000 Britannia Bulk Plc, 11% due 12/01/2011  
    1,500,000 Navios Maritime Holdings, Inc., 9.50% due 12/15/2014 (c  
    6,060,000 St. Acquisition Corp., 13.107% due 5/15/2015 (b) (c)  
    1,760,000 Titan Petrochemicals Group Ltd., 8.50% due 3/18/2012 (c

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Utility - 2.3%      4,142,000 CenterPoint Energy, Inc. Series B, 3.75% due 5/15/2023  
    2,900,000 El Paso Performance-Linked Trust, 7.75% due 7/15/2011 (c  
    5,380,000 NSG Holdings LLC, 7.75% due 12/15/2025 (c)  
    1,425,000 Williams Cos., Inc., 8.625% due 6/01/2010

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Wireless  
 Communications - 3.6%      1,905,000 Centennial Communications Corp., 11.099% due 1/01/2013  
    5,250,000 Cricket Communications, Inc., 9.375% due 11/01/2014  
    3,560,000 Digicel Group Ltd., 8.875% due 1/15/2015 (c)  
    7,465,000 Digicel Group Ltd., 9.125% due 1/15/2015 (c) (g)  
    2,150,000 FiberTower Corp., 9% due 11/15/2012 (a) (c)  
    1,250,000 iPCS, Inc., 7.48% due 5/01/2013 (b) (c)  
    620,000 Orascom Telecom Finance SCA, 7.875% due 2/08/2014  
    755,000 Orascom Telecom Finance SCA, 7.875% due 2/08/2014 (c)  
    3,270,000 West Corp., 11% due 10/15/2016

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Total Corporate Bonds (Cost - \$663,007,308) - 89.6%

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BlackRock Debt Strategies Fund, Inc.  
 Schedule of Investments as of May 31, 2007

Industry	Face Amount	Floating Rate Loan Interests**
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Aerospace & Defense - 0.5%	USD      78,014	Hawker Beechcraft Letter of Credit, 5.25% due 3/31/2014
	921,986	Hawker Beechcraft Term Loan B, 7.32% due 3/31/2014
	1,248,106	IAP Worldwide Services, Inc. Term Loan, 9.688% due 12/3
	1,995,000	MRO Acquisitions Corp. First Lien Term Loan, 7.82% due

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Airlines - 0.7%      2,000,000 Delta Airlines First Lien Term Loan, 7.355% due 5/15/20

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2,000,000 U.S. Airways Group, Inc. Term Loan B, 7.85% due 3/22/2011  
 1,500,000 United Air Lines, Inc. Term Loan B, 7.375% due 1/30/2011

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 Automotive - 3.4%  
 2,000,000 ADESA, Inc. Term Loan B, 7.57% due 10/30/2013  
 1,000,000 Delphi Automotive Systems Term Loan, 8.125% due 12/31/2011  
 2,000,000 Goodyear Tire & Rubber Co., First Lien Term Loan, 7.10% due 12/31/2011  
 1,685,185 Intermet Corp. Letter of Credit, 10.20% due 11/08/2010  
 1,162,530 Intermet Corp. Term Loan B, 10.34% due 11/08/2010  
 1,745,625 Keystone Automotive Operations, Inc. Term Loan B, 8.82% - 8.855% due 1/15/2012  
 86,538 Metaldyne Corp. Letter of Credit, 8.92% - 9.10% due 1/15/2012  
 588,462 Metaldyne Corp. Term Loan B, 9.10% due 1/15/2014  
 1,866,667 Navistar International Transportation Corp. Revolving Credit Facility, 5.22% - 8.61% due 6/30/2012  
 5,133,333 Navistar International Transportation Corp. Term Loan, 7.00% due 12/31/2013  
 1,995,000 Oshkosh Truck Corp. Term Loan B, 7.10% due 11/30/2013  
 1,000,000 TRW Automotive, Inc. Term Loan B, 6.875% due 12/31/2013  
 5,750,000 Visteon Corp. Term Loan B, 8.38% due 6/13/2013

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 Beverages - 0.1%  
 1,000,000 Culligan International Term Loan B, 9.50% due 4/24/2012

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 Broadcasting - 3.3%  
 3,000,000 Bresnan Telecommunications Term Loan B, 7.38% due 9/29/2011  
 4,500,000 Discovery Communications Term Loan B, 7.34% due 5/15/2011  
 6,500,000 Ellis Communications Term Loan, 10% due 12/30/2011  
 1,000,000 Local TV LLC Term Loan, 7.36% due 5/15/2013  
 495,244 Multicultural Radio Broadcasting, Inc. Term Loan, 8.098% due 12/31/2011  
 1,000,000 NEP Supershooters, LP Term Loan B, 7.60% due 2/13/2014  
 1,500,000 Persona Communications Second Lien Term Loan, 11.32% due 12/31/2011  
 4,697,987 Univision Communications, Inc. Delay Draw Term Loan, 7.00% due 12/31/2011

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 Cable - U.S. - 5.7%  
 2,300,000 Cequel Communications LLC First Lien Term Loan, 7.34% - 7.61% due 11/05/2013  
 8,317,962 Cequel Communications LLC Second Lien Term Loan, 11.49% due 11/05/2013  
 4,310,344 Cequel Communications LLC Term Loan B, 7.61% due 11/05/2013  
 21,000,000 Charter Communications, Inc. Term Loan B, 7.32% due 4/30/2011  
 6,750,000 Insight Midwest Holdings LLC Delay Draw Term Loan, 7.57% due 12/31/2011  
 2,250,000 Insight Midwest Holdings LLC Term Loan B, 5.32% due 4/30/2011

BlackRock Debt Strategies Fund, Inc.  
 Schedule of Investments as of May 31, 2007

Industry	Face Amount	Floating Rate Loan Interests**
Chemicals - 2.0%	USD 400,000	Arizona Chemical Second Lien Term Loan, 10.86% due 2/28/2011
	1,427,316	Huntsman ICI Holdings Term Loan B, 7.07% due 8/16/2012
	672,000	NuSil Technology Term Loan, 8.07% due 10/31/2013

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3,136,000	Rockwood Specialties Group, Inc. Tranche D Term Loan, 7.355% due 12/10/2012
10,000,000	Wellman, Inc. Second Lien Term Loan, 12.106% due 2/10/2012

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Consumer -

Non-Durables - 1.3%	1,500,000	Culligan Dollar Loan, 8.609% due 4/24/2013
	300,000	Gold Toe Investment Corp. Second Lien Term Loan, 11.36%
	695,431	Renfro Corp. Term Loan B, 8.59% - 8.61% due 9/30/2013
	281,917	Spectrum Brands Letter of Credit, 5.17% due 4/15/2013
	5,703,182	Spectrum Brands Term Loan B-1, 9.32% - 9.36% due 4/15/2013
	1,014,901	Spectrum Brands Term Loan B-2, 9.32% due 4/15/2013

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Diversified Media - 1.4%

4,000,000	Affinion Group Term Loan, 11.66% due 3/01/2012
591,667	GateHouse Media, Inc. Delay Draw Term Loan, 7.10% - 7.36% due 9/15/2014
2,000,000	GateHouse Media, Inc. Term Loan B, 7.36% due 9/15/2014
995,000	Nielsen Finance LLC Term Loan B, 8.125% due 8/15/2013
1,000,000	Penton Media Term Loan, 10.355% due 2/15/2014
963,550	Riverdeep Group Ltd. Bridge Loan, 11.55% due 12/21/2007
1,000,000	Riverdeep Group Ltd. Term Loan B, 8.10% due 12/21/2013

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Energy - Exploration & Production - 2.2%

787,500	Big West Oil & Gas Term Loan B, 9.50% due 5/15/2014
374,053	Carrizo Oil & Gas, Inc. Second Lien Term Loan, 10.10% due 12/15/2013
750,000	Energy Transfer Equity LP Term Loan B, 7.106% due 11/01/2013
10,000,000	Frontier Drilling Term Loan B, 8.57% due 6/21/2013
500,000	Longyear Global Holdings, Inc. Second Lien Term Loan, 10.32% due 10/31/2013
1,237,500	MEG Energy Corp. Term Loan B, 7.35% due 4/03/2013
2,000,000	Sandridge Energy Term Loan, 8.625% - 8.975% due 3/01/2013
1,205,357	Western Refining Company LP Term Loan B, 7.07% due 3/15/2013

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Energy - Other - 1.9%

465,806	Coletto Creek Letter of Credit, 8.10% due 7/31/2013
31,847	Coletto Creek Term Loan B, 8.128% due 7/31/2013
3,000,000	Dresser, Inc. First Lien Term Loan, 7.86% due 5/15/2014
2,500,000	Dresser, Inc. Second Lien Term Loan, 11.11% due 5/15/2014
8,000,000	Scorpion Drilling Ltd. Second Lien Term Loan, 13.605% due 5/15/2014

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Financial - 1.0%

2,000,000	J.G. Wentworth Manufacturing Second Lien Term Loan, 10.35% due 10/15/2014
4,000,000	J.G. Wentworth Manufacturing Term Loan B, 7.60% due 4/15/2014
250,000	Kyle Acquisition Term Loan B, 8.875% due 7/20/2009
1,000,000	USI Holdings Corp. Term Loan B, 8.11% due 5/15/2014

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BlackRock Debt Strategies Fund, Inc.



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Schedule of Investments as of May 31, 2007

Industry	Face Amount	Floating Rate Loan Interests**
<hr/>		
Food & Tobacco - 3.5%	USD	
	592,573	ARAMARK Corp. Letter of Credit, 7.445% due 1/30/2014
	8,291,597	ARAMARK Corp. Term Loan B, 7.475% due 1/30/2014
	1,000,000	Bolthouse Farms, Inc. Second Lien Term Loan, 10.85% due 1/30/2014
	1,000,000	DS Waters LP Term Loan B, 7.57% due 11/15/2012
	465,116	Dole Food Co., Inc. Letter of Credit, 5.23% due 4/12/2012
	1,038,663	Dole Food Co., Inc. Term Loan B, 7.438% - 9.25% due 4/12/2012
	3,462,209	Dole Food Co., Inc. Term Loan C, 7.438% - 9.25% due 4/12/2012
	970,560	Eight O'Clock Coffee Second Lien Term Loan, 8.125% due 11/15/2012
	1,000,000	OSI Restaurant Partners, Inc. Term Loan B, 7.57% due 5/15/2012
	6,000,000	QCE LLC Second Lien Term Loan, 11.10% due 11/05/2013
	1,000,000	Sturm Foods, Inc. First Lien Term Loan, 7.938% due 1/30/2014
	1,250,000	Sturm Foods, Inc. Second Lien Term Loan, 11.438% due 6/30/2014
<hr/>		
Gaming - 2.2%		
	2,250,000	Edge-Star Partners LLC First Lien Term Loan, 9.375% due 1/30/2014
	481,818	Green Valley Ranch Gaming LLC Term Loan, 7.36% due 1/29/2014
	750,000	Green Valley Ranch Gaming LLC Term Loan, 8.61% due 8/30/2014
	3,200,000	Las Vegas Sands Term Loan B, 7.07% due 5/04/2014
	1,055,813	Tropicana Opco Term Loan B, 7.86% due 12/15/2011
	2,500,000	Venetian Macau U.S. Finance Co. LLC Delay Draw Term Loan, 8.10% due 5/25/2012
	6,000,000	Venetian Macau U.S. Finance Co. LLC Term Loan B, 7.60% - 8.10% due 5/25/2013
<hr/>		
Health Care - 1.7%		
	489,250	CCS Medical First Lien Term Loan, 8.60% due 10/31/2012
	2,000,000	DaVita, Inc. Term Loan B, 6.82% - 6.86% due 7/30/2012
	3,500,000	Health Management Associates, Inc. Term Loan B, 7.07% due 1/30/2014
	3,000,000	Pharmaceutical Technologies & Services (PTS) Term Loan, 7.60% due 4/15/2014
	3,089,536	Rotech Healthcare, Inc. Term Loan B, 11.36% due 9/26/2012
<hr/>		
Housing - 0.4%		
	2,953,125	Headwaters, Inc. Term Loan B-1, 7.32% due 4/30/2011
	482,867	Yellowstone Club Term Loan B, 7.695% due 10/15/2010
<hr/>		
Information		
Technology - 3.9%		
	3,686,354	Activant Solutions Term Loan B, 7.375% due 5/02/2013
	679,128	Advanced Micro Devices, Inc. Term Loan B, 7.34% due 10/15/2012
	8,000,000	Aspect Software Second Lien Term Loan, 12.438% due 7/05/2014
	1,000,000	Audio Visual Services Corp. Second Lien Term Loan, 10.85% due 9/15/2014
	973,460	ClientLogic Holding Corp. Term Loan B, 7.82% - 7.855% due 11/15/2012
	1,500,000	CoCreate Software, Inc. Second Lien Term Loan, 12.57% due 11/15/2012
	474,940	Intergraph Corp. Term Loan, 7.61% due 5/15/2014
	1,000,000	Intergraph Corp. Term Loan, 11.36% due 11/15/2014
	299,250	RedPrairie Corp. Term Loan, 8.375% due 7/31/2012
	896,489	RedPrairie Corp. Term Loan, 10.25% due 7/31/2012

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BlackRock Debt Strategies Fund, Inc.  
 Schedule of Investments as of May 31, 2007

Industry	Face Amount	Floating Rate Loan Interests**
	USD	
	3,500,000	Reynolds & Reynolds Co. Third Lien Term Loan, 12.85% due
	1,000,000	SafeNet, Inc. First Lien Term Loan, 7.855% due 5/11/201
	3,307,500	Telcordia Technologies, Inc. Term Loan, 8.11% due 9/15/
	750,000	Transaction Network Services Term Loan B, 7.36% due 5/1
	1,995,000	Verifone, Inc. Term Loan B, 7.11% due 2/28/2013
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Leisure - 0.7%	3,620,000	Easton-Bell Sports, Inc. Term Loan B, 11.39% due 5/01/2
	1,750,000	National Cinemedia LLC Term Loan B, 7.09% due 2/28/2015
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Manufacturing - 1.6%	1,000,000	Brand Energy Term Loan B, 7.625% - 11.375% due 2/15/201
	1,000,000	Harrington Holdings, Inc. Term Loan, 7.84% due 1/15/201
	2,500,000	Huish Detergents, Inc. First Lien Term Loan, 7.32% due
	1,500,000	Huish Detergents, Inc. Second Lien Term Loan, 9.57% due
	1,500,000	Jason, Inc. Term Loan B, 7.82% due 4/30/2010
	1,449,557	John Maneely Co. Term Loan B, 8.571% - 10.50% due 12/15
	2,000,000	Mueller Water Products Term Loan B, 7.07% due 5/16/2014
	1,060,000	Rexnord Corp. Payment In Kind Term Loan, 11.598% due 3/
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Metal - Other - 1.1%	2,544,790	Euramax International Plc First Lien Term Loan, 8.375%
	1,989,474	Euramax International Plc Second Lien Term Loan, 8.375%
	4,010,526	Euramax International Plc Second Lien Term Loan, 13.35%
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Other - 0.4%	3,000,000	ARS Second Lien Term Loan, 12% due 4/17/2015
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Packaging - 2.1%	3,134,189	Anchor Glass Container Corp. Term Loan B, 7.60% - 7.61%
	8,590,000	Berry Plastics, 11.61% due 6/15/2014
	750,000	Consolidated Container Second Lien Term Loan, 10.82% due
	2,000,000	Graham Packaging Term Loan B, 7.625% due 4/15/2011
	1,500,000	Graphic Packaging International Term Loan B, 8.75% due
-----		
Paper - 0.7%	5,000,000	Verso Paper Holdings LLC Term Loan B, 11.57% due 2/01/2
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Retail - 0.9%	1,500,000	Burlington Coat Factory Warehouse Corp. Term Loan B, 7.61% due 4/15/2013
	3,500,000	Claire's Stores Term Loan B, 8.07% due 5/24/2014
	1,000,000	David's Bridal, Inc. Term Loan B, 7.40% due 1/30/2014
	648,375	PETCO Animal Supplies, Inc. Term Loan, 8.07% - 8.10% due

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Service - 1.8%	750,000	Brickman Group, Inc. Term Loan, 7.34% - 7.399% due 1/30/2014
	750,000	Brock Holdings Term Loan, 7.32% due 2/28/2014
	500,000	Inmar, Inc. Term Loan B, 7.82% due 5/15/2013
	3,019,996	NES Rentals Holdings, Inc. Term Loan C, 12.125% due 7/1/2014
	250,000	RiskMetrics Group, Inc. Second Lien Term Loan, 10.85% due 1/15/2014
	750,000	RiskMetrics Group, Inc. Term Loan, 7.60% due 1/15/2014
	7,549,200	Waste Services, Inc. Term Loan D, 8.07% due 3/31/2011

BlackRock Debt Strategies Fund, Inc.  
Schedule of Investments as of May 31, 2007

Industry	Face Amount	Floating Rate Loan Interests**
Steel - 0.1%	USD 498,750	McJunkin Corp. Term Loan B, 7.60% due 1/30/2014
Telecommunications - 0.8%	997,500 3,161,871	Kentucky Data Link, Inc. Term Loan B, 7.57% due 2/28/2014 Winstar Communications Debtor in Possession, 6.366% due 10/31/2013
Transportation - 0.7%	5,000,000	Swift Transportation Co., Inc. Term Loan B, 8.375% due 10/31/2013
Utility - 0.8%	4,000,000 70,313 677,988 750,000 1,000,000	Generac Portable Products, Inc. Second Lien Term Loan, 11.35% due 5/15/2014 MACH Gen LLC Letter of Credit, 7.323% due 2/22/2014 MACH Gen LLC Term Loan, 7.36% due 2/22/2014 Nebraska Energy Second Lien Term Loan, 7.82% due 10/31/2013 USPF Holdings Term Loan, 7.082% - 7.10% due 4/15/2014
Wireless Communications - 1.4%	4,750,000 2,500,000 2,992,500	Centennial Cellular Operating Co. Term Loan, 7.614% due 10/31/2013 Crown Castle Operating Co. Term Loan, 6.82% - 6.899% due 10/31/2013 West Corp. Term Loan, 7.763% - 8.10% due 10/31/2013
		Total Floating Rate Loan Interests (Cost - \$358,553,892) - 48.3%
		Shares Held Common Stocks
Airlines - 0.6%	221,602	Delta Air Lines, Inc. (d)
Cable - U.S. - 0.9%	150,084	Loral Space & Communications Ltd. (d)
Chemicals - 0.0%	339,340	GEO Specialty Chemicals, Inc. (d)

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Financial - 0.2%	35,000	Preferred Term Securities VI, Ltd. (d)
Food & Tobacco - 0.2%	1,428,423	Viskase Cos., Inc. (d)
Information Technology - 0.2%	55,172	Cypress Semiconductor Corp. (d)
Leisure - 0.0%	5,000	HRP PIK Corp. Class B (g)
	27,787	Lodgian, Inc. (d)
Manufacturing - 0.7%	724,291	ACP Holding Co. (d)
	403	GenTek, Inc. (d)
	286,757	Medis Technologies Ltd. (d)
Paper - 0.2%	36,342	Smurfit Kappa Plc (d)
	211,149	Western Forest Products, Inc. Restricted Shares (d)
Service - 0.3%	90,876	Outsourcing Solutions, Inc. (d)
Steel - 0.0%	41,149	Acme Package Corp. Senior Holdings (d) (k)
		Total Common Stocks (Cost - \$29,842,442) - 3.3%

BlackRock Debt Strategies Fund, Inc.  
Schedule of Investments as of May 31, 2007

Industry	Shares Held	Preferred Stocks
Cable - U.S. - 0.3%	10,159	Loral Spacecom Corp. Series A, 12% (g)
Energy - Exploration & Production - 1.2%	179	EXCO Resources, Inc., 7% (a)
	737	EXCO Resources, Inc., 11%
		Total Preferred Stocks (Cost - \$11,168,180) - 1.5%
		Warrants (i)
Broadcasting - 0.0%	15,000	Sirius Satellite Radio, Inc. (expires 5/15/2009)
Health Care - 0.0%	126,761	HealthSouth Corp. (expires 1/16/2014)
Manufacturing - 0.1%	652,739	ACP Holding Co. (expires 9/30/2013)
	471	GenTek, Inc. Tranche B (expires 11/10/2008)

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231 GenTek, Inc. Tranche C (expires 11/10/2010)

Paper - 0.0%	18	Cellu Tissue Holdings, Inc. (expires 5/08/2007)
Wireless Communications - 0.1%	1,325	American Tower Corp. (expires 8/01/2008)
Total Warrants (Cost - \$870,754) - 0.2%		
	Beneficial Interest	Other Interests (f)
Airlines - 0.0%	USD 9,705,000	Delta Airlines Default Escrow
Automotive - 0.0%	3,614,601	Cambridge Industries, Inc. (Litigation Trust Certificat
Cable - U.S. - 0.0%	7,500,000	Adelphia C.V.U. Escrow
	5,000	Adelphia C.V.U. Preferred Escrow
	9,406,019	Adelphia C.V.U. Series ACC-4
	500,000	Adelphia Recovery Trust Series ACC-6B
Total Other Interests (Cost - \$30,801) - 0.0%		
Total Investments (Cost - \$1,063,473,377*) - 142.9%		
Liabilities in Excess of Other Assets - (42.9%)		
Net Assets - 100.0%		

\* The cost and unrealized appreciation (depreciation) of investments as of May 31, 2007, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 1,064,746,857
	=====
Gross unrealized appreciation	\$ 40,784,583
Gross unrealized depreciation	(28,815,423)
	-----
Net unrealized appreciation	\$ 11,969,160
	=====

\*\* Floating rate loan interests in which the Fund invests generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally (i) the lending rate offered by one or more European banks, such as LIBOR (London InterBank Offered Rate), (ii) the prime rate offered by one or more U.S. banks or (iii) the certificate of deposit rate.

- (a) Convertible security.
- (b) Floating rate security.
- (c) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.
- (d) Non-income producing security.
- (e) Non-income producing security; issuer filed for bankruptcy or is in default of interest payments.
- (f) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.

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BlackRock Debt Strategies Fund, Inc.  
 Schedule of Investments as of May 31, 2007

- (g) Represents a pay-in-kind security which may pay interest/dividends in additional face/shares.
- (h) Represents a step bond; the interest rate shown reflects the effective yield at the time of purchase.
- (i) 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.
- (j) As a result of bankruptcy proceedings, the company did not repay the principal amount of the security upon maturity and is non-income producing.
- (k) Restricted security as to resale, representing 0.0% of net assets were as follows:

Issue	Acquisition Date	Cost	Value
Acme Package Corp. Senior Holdings	11/25/2002	--	--

- o 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 ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease. Industries are shown as a percent of net assets.
- o Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Interest Income
BlackRock Liquidity Series, LLC Cash Sweep Series	USD (1,914,750)	\$ 164,236

- o Swaps outstanding as of May 31, 2007 were as follows:

	Notional Amount
Sold credit default protection on Novelis Inc. and receive 1.40% Broker, JPMorgan Chase Expires January 2008	USD 4,000,000
Sold credit default protection on Ford Motor Co. and receive 3.80% Broker, Lehman Brothers Special Finance Expires March 2010	USD 10,000,000
Bought credit default protection on Smithfield Foods, Inc. and	

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pay 1.52%	Broker, Credit Suisse First Boston		
	Expires March 2012	USD	4,000,000
Sold credit default protection on BAA Ferovial Junior Term Loan and receive 2.00%			
	Broker, Deutsche Bank AG London		
	Expires June 2012	USD	1,733,002
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Total			

o Currency Abbreviations:

GBP	British Pound
USD	U.S. Dollar

### Item 2 - Controls and Procedures

- 2(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.
- 2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is 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/ Robert C. Doll, Jr.

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Robert C. Doll, Jr.  
Chief Executive Officer  
BlackRock Debt Strategies Fund, Inc.

Date: July 24, 2007

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.

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By: /s/ Robert C. Doll, Jr.  
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Robert C. Doll, Jr.  
Chief Executive Officer  
BlackRock Debt Strategies Fund, Inc.

Date: July 24, 2007

By: /s/ Donald C. Burke  
-----

Donald C. Burke  
Chief Financial Officer  
BlackRock Debt Strategies Fund, Inc.

Date: July 24, 2007