

FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND INC

Form N-30B-2

April 20, 2005

*****PLEASE DISREGARD SUBMISSION 0000935069-05-000895 AS THIS FILING WAS FILED WITH INCORRECT FUND.*****

FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND

Dear Shareholder:

The Flaherty & Crumrine/Claymore Total Return Fund ("FLC") delivered very respectable results during the most recently concluded fiscal quarter. For the three month period ending February 28, 2005, the Fund produced a total return on net asset value ("NAV") of 5.3%(1). All segments of the investment portfolio performed well during the period. The Fund's hedges were a modest drag on investment results, as long-term interest rates declined during the period.

In recent letters, we have indicated that the Fund is susceptible to the same factors that have forced many other income-oriented funds to reduce their dividend distributions. In April, the Fund's monthly dividend was set at \$0.1480 per share, an 8.9% reduction from the prior month.

As is the case with other leveraged funds, rising short-term interest rates have increased the amount the Fund must pay on its Auction Market Preferred Stock ("AMPS"). Typically, rising short-term interest rates are accompanied by rising long-term rates, which should increase the value of the Fund's hedges. The gains on the hedges can then be invested in additional securities, which in turn increase the Fund's income, and, on balance, help keep the Fund's dividend relatively stable.

U.S. TREASURY YIELD CURVES

[GRAPHIC OMITTED]

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC

| Maturity | 4/30/04 | 2/28/05 |
|----------|---------|---------|
| 0.25 | 0.97 | 2.74 |
| 0.50 | 1.14 | 2.97 |
| 2.00 | 2.31 | 3.58 |
| 3.00 | 2.75 | 3.75 |
| 5.00 | 3.61 | 3.99 |
| 10.00 | 4.50 | 4.36 |
| 30.00 | 5.28 | 4.71 |

As the above chart shows, current market conditions are anything but typical--since the Federal Reserve signaled its intent to raise short-term interest rates last April, short-term interest rates have increased by approximately 175 basis points, while long-term interest rates have FALLEN by over 50 basis points! As a result, the Fund's AMPS expense is significantly higher, but the hedges have not enabled us to produce more income. While we do not expect these conditions to persist for long periods, at this time it is necessary to adjust the monthly distribution to a more sustainable amount.

Over the longer term, a "flatter" yield curve (as measured by the difference in short- and long-term interest rates) is not a bad thing for the Fund. Obviously, the cost of the Fund's leverage will go up, but at

(1) Based on monthly data provided by Lipper Inc. Distributions are assumed to be reinvested at NAV in accordance with Lipper's practice.

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the same time, the cost of the Fund's hedging strategy should go down. This effect can be significant since the leverage comprises roughly 35.7% of the Fund's assets, while the ENTIRE portfolio is hedged. The impact of the higher leverage cost occurs almost immediately, while the benefits of lower hedging costs take a bit longer to impact the Fund's income. The mathematics of all this can be a bit daunting, but over the long run, these two effects have tended to offset each other.

As a rule, we don't comment on the market price of the Fund's common shares; however, recent market activity certainly does warrant some observations. Over the long run, the market price SHOULD track the net asset value. From time to time we expect to see some deviation due to factors or circumstances unique to the Fund. For example, most investors cannot replicate FLC's investment portfolio, hedging strategy, or leverage, and therefore may be willing to pay a premium to the NAV.

The chart below plots the recent market price and net asset value of FLC. For portions of this period, the market price traded at a premium to the NAV. We attributed this in part to the Fund's strategy plus an attractive dividend rate. During late February of this year, shares were trading around \$23 1/2; as of this writing, they are trading around \$21 1/2. During the same period, the net asset value declined less than \$0.50!

[GRAPHIC OMITTED]

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC

Flaherty & Crumrine/Claymore Total Return Fund
Market Price vs. Net Asset Value

| | | |
|---------|-------|-------|
| 2/6/04 | 26.16 | 24.57 |
| 2/13/04 | 26.06 | 24.63 |
| 2/20/04 | 25.9 | 24.44 |
| 2/27/04 | 25.86 | 24.72 |
| 3/5/04 | 25.76 | 24.98 |
| 3/12/04 | 26.25 | 25.03 |
| 3/19/04 | 26.3 | 25.08 |
| 3/26/04 | 25.85 | 24.75 |
| 4/2/04 | 26.18 | 24.56 |
| 4/9/04 | 25.4 | 24.51 |
| 4/16/04 | 24.6 | 24.34 |
| 4/23/04 | 24.1 | 24.06 |
| 4/30/04 | 23.24 | 24.02 |
| 5/7/04 | 21.75 | 23.46 |
| 5/14/04 | 22.53 | 23.3 |
| 5/21/04 | 22.58 | 23.29 |
| 5/28/04 | 23.49 | 23.45 |
| 6/4/04 | 23.53 | 23.45 |
| 6/11/04 | 23.25 | 23.38 |
| 6/18/04 | 23.5 | 23.36 |
| 6/25/04 | 22.5 | 23.22 |
| 7/2/04 | 23.34 | 23.25 |
| 7/9/04 | 23.33 | 23.31 |
| 7/16/04 | 23.1 | 23.55 |
| 7/23/04 | 22.67 | 23.3 |
| 7/30/04 | 22.69 | 23.28 |
| 8/6/04 | 23.67 | 23.49 |
| 8/13/04 | 23.4 | 23.57 |
| 8/20/04 | 23.28 | 23.42 |
| 8/27/04 | 23.3 | 23.5 |
| 9/3/04 | 23.74 | 23.47 |
| 9/10/04 | 23.66 | 23.71 |
| 9/17/04 | 24.36 | 23.91 |

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| | |
|------------------------------|-----------|
| Market Price | \$ 23.55 |
| Discount | -3.13% |
| Yield on Market Price | 8.28% |
| Common Shares Outstanding | 9,776,333 |

INDUSTRY CATEGORIES % OF PORTFOLIO

[GRAPHIC OMITTED]

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC

| | |
|--------------------|-----|
| Banks | 34% |
| Utilities | 27% |
| Insurance | 16% |
| Financial Services | 8% |
| REITs | 6% |
| Other | 6% |
| Oil and Gas | 3% |

MOODY'S RATINGS % OF PORTFOLIO

| | |
|----------------------------|-------|
| Aaa | 0.5% |
| Aa | 4.1% |
| A | 32.6% |
| Baa | 45.4% |
| Ba | 7.4% |
| Not Rated | 4.9% |
| Below by Investment Grade* | 7.2% |

* BELOW INVESTMENT GRADE BY BOTH MOODY'S AND S&P.

TOP 10 HOLDINGS BY ISSUER % OF PORTFOLIO

| | |
|---------------------------|------|
| Wachovia Corp. | 5.2% |
| J.P. Morgan Chase | 5.0% |
| Lehman Brothers | 4.3% |
| Duke Energy | 3.9% |
| Royal Bank of Scotland | 3.6% |
| North Fork Bancorporation | 3.2% |
| OneAmerica Financial | 2.7% |
| Zurich RegCaPS | 2.6% |
| Nexen, Inc. | 2.6% |
| FPL Group, Inc. | 2.5% |

 Holdings Generating Qualified Dividend Income (QDI) for Individuals
 Holdings Generating Income Eligible for the Corporate Dividend Received Deduction (DRD)

** THIS DOES NOT REFLECT YEAR-END RESULTS OR ACTUAL TAX CATEGORIZATION OF FUND DISTRIBUTIONS. THESE PERCENTAGES CAN, AND DO, CHANGE, PERHAPS SIGNIFICANTLY, DEPENDING ON MARKET CONDITIONS. INVESTORS SHOULD CONSULT THEIR TAX ADVISOR REGARDING THEIR PERSONAL SITUATION.

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 Flaherty & Crumrine/Claymore Total Return Fund Incorporated
 PORTFOLIO OF INVESTMENTS
 FEBRUARY 28, 2005 (UNAUDITED)

SHARES/\$ PAR

PREFERRED SECURITIES -- 72.5%
 BANKING -- 33.6%

| | | |
|--------------|---|----|
| 1,000 | ABN AMRO North America, Inc., 6.59% Pfd., 144A**** | \$ |
| \$ 4,750,000 | Astoria Capital Trust I, 9.75% 11/01/29 Capital Security, Series B | |
| 38,800 | BAC Capital Trust I, 7.00% Pfd. | |
| 25,000 | BAC Capital Trust III, 7.00% Pfd. | |
| 10,900 | BAC Capital Trust V, 7.00% Pfd. | |
| 50,900 | Bank One Capital Trust VI, 7.20% Pfd. | |
| \$ 1,000,000 | BT Preferred Capital Trust II, 7.875% 02/25/27 Capital Security | |
| \$10,000,000 | Chase Capital I, 7.67% 12/01/26 Capital Security | |
| 14,400 | Chase Capital XI, 5.875% Pfd. 06/15/33 | |
| 40,000 | Cobank, ACB, 7.00% Pfd., 144A**** | |
| 20,000 | Colonial Capital Trust IV, 7.875% Pfd. | |
| 11,000 | Comerica (Imperial) Capital Trust I, 7.60% Pfd. | |
| \$ 2,000,000 | First Chicago NBD Capital A, 7.95% 12/01/26 Capital Security, 144A**** | |
| \$ 400,000 | First Empire Capital Trust I, 8.234% 02/01/27 Capital Security | |
| \$ 1,900,000 | First Hawaiian Capital I, 8.343% 07/01/27 Capital Security, Series B | |
| \$ 2,000,000 | First Midwest Capital Trust I, 6.95% Pfd. 12/01/33, Capital Security | |
| \$ 1,500,000 | First Tennessee Capital Trust II, 6.30% 04/15/34 Capital Security, Series B | |
| \$ 2,000,000 | First Union Institutional Capital II, 7.85% 01/01/27 Capital Security | |
| \$ 1,000,000 | Fleet Capital Trust II, 7.92% 12/11/26 Capital Security | |
| 18,000 | Fleet Capital Trust VII, 7.20% Pfd. | |
| 2 | FT Real Estate Securities Company, 9.50% Pfd., 144A**** | |
| \$ 7,100,000 | GreenPoint Capital Trust I, 9.10% 06/01/27 Capital Security | |
| \$ 8,000,000 | HBOS Capital Funding LP, 6.85% Pfd. | |
| \$ 855,000 | HSBC Capital Trust II, 8.38% 05/15/27 Capital Security, 144A**** | |
| \$ 3,000,000 | Haven Capital Trust I, 10.46% 02/01/27 Capital Security | |
| 4,200 | Household Capital Trust VI, 8.25% Pfd. | |
| \$ 2,944,000 | J.P. Morgan Capital Trust I, 7.54% 01/15/27 Capital Security | |
| 3,955 | J.P. Morgan Chase & Co., 6.625% Pfd., Series H | |

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| | |
|--------------|---|
| \$ 5,000,000 | Keycorp Institutional Capital A, 7.826% 12/01/26 Capital Security, Series A ... |
| 10 | Marshall & Ilsley Investment II, 8.875% Pfd., 144A**** |
| \$ 1,000,000 | NB Capital Trust IV, 8.25% Capital Security |
| \$ 2,500,000 | North Fork Capital Trust I, 8.70% 12/15/26 Capital Security |
| \$ 810,000 | North Fork Capital Trust II, 8.00% 12/15/27 Capital Security |
| \$ 4,000,000 | RBS Capital Trust B, 6.80% Pfd. |
| 2,100 | Regions Financial Trust I, 8.00% Pfd. |
| \$ 1,600,000 | Republic New York Capital I, 7.75% 11/15/26 Capital Security |
| \$ 716,000 | Republic New York Capital II, 7.53% 12/04/26 Capital Security |
| 25 | Roslyn Real Estate, 8.95% Pfd., Pvt., Series C, 144A**** |

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 Flaherty & Crumrine/Claymore Total Return Fund Incorporated
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 FEBRUARY 28, 2005 (UNAUDITED)

SHARES/\$ PAR

PREFERRED SECURITIES - (CONTINUED)
 BANKING - (CONTINUED)

| | | |
|--------------|--|----|
| | Royal Bank of Scotland Group PLC: | |
| 20,000 | 6.40% Pfd., Series | \$ |
| \$ 6,820,000 | 7.648% Pfd. | |
| \$ 5,050,000 | Union Planters Capital Trust, 8.20% 12/15/26 Capital Security | |
| 19,000 | USB Capital V, 7.25% Pfd. | |
| \$ 5,000,000 | Wachovia Capital Trust I, 7.64% 01/15/27 Capital Security, 144A**** | |
| \$ 1,170,000 | Wachovia Capital Trust V, 7.965% 06/01/27 Capital Security, 144A**** | |
| 350,000 | Wachovia Preferred Funding, 7.25% Pfd., Series A | |
| \$ 4,000,000 | Webster Capital Trust I, 9.36% 01/29/2027 Capital Security, 144A**** | |
| 7,900 | Wells Fargo Capital Trust IV, 7.00% Pfd. | |
| 20,000 | Wells Fargo Capital Trust IX, 5.625% Pfd. | |

 FINANCIAL SERVICES -- 6.7%

| | |
|---------|--|
| 141,000 | Fannie Mae, Adj. Rate Pfd. |
| | Lehman Brothers Holdings, Inc.: |
| 86,500 | 5.94% Pfd., Series C |
| 232,100 | 6.50% Pfd., Series F |
| 9,700 | Merril Lynch Capital Trust III, 7.00% Pfd. |
| 168,650 | Merril Lynch Capital Trust V, 7.28% Pfd. |
| 17,200 | Morgan Stanley Capital Trust II, 7.25% Pfd. |
| 15,000 | Morgan Stanley Capital Trust IV, 6.25% Pfd. |
| 6,000 | Morgan Stanley Capital Trust V, 5.75% Pfd. |

 INSURANCE -- 11.0%

| | |
|--------|--|
| 15,000 | AAG Holding Company, Inc., 7.25% Pfd. |
|--------|--|

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| | |
|--------------|---|
| 177,380 | ACE Ltd., 7.80% Pfd., Series C |
| \$ 6,420,000 | AON Capital Trust A, 8.205% 01/01/27 Capital Security |
| 189,400 | Everest Re Capital Trust II, 6.20% Pfd., Series B |
| | ING Groep NV: |
| 36,000 | 7.05% Pfd. |
| 125,000 | 7.20% Pfd. |
| 30,000 | Renaissancere Holdings Ltd., 6.08% Pfd., Series C |
| 40,000 | St. Paul Capital Trust I, 7.60% Pfd. |
| \$ 500,000 | Sun Life Canada, 8.526% Pfd., 144A**** |
| \$ 4,815,000 | USF&G Capital, 8.312% 07/01/46 Capital Security, 144A**** |
| 30,000 | XL Capital Ltd., 7.625% Pfd., Series B |
| 9,175 | Zurich RegCaPS Funding Trust, 6.58% Pfd., 144A**** |

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Flaherty & Crumrine/Claymore Total Return Fund Incorporated
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 FEBRUARY 28, 2005 (UNAUDITED)

SHARES/\$ PAR

PREFERRED SECURITIES - (CONTINUED)
 UTILITIES -- 13.4%

| | |
|--------------|---|
| 222,700 | Alabama Power Company, 5.30% Pfd. |
| 45,700 | Baltimore Gas & Electric Company, 6.70% Pfd., Series 1993 |
| \$ 2,750,000 | COMED Financing II, 8.50% 01/15/27 Capital Security, Series B |
| \$ 2,500,000 | Dominion Resources Capital Trust I, 7.83% 12/01/27 Capital Security |
| | Duke Energy Corporation: |
| 50,214 | 7.04% Pfd., Series Y |
| 22,934 | 7.85% Pfd., Series S |
| 20,000 | Energy East Capital Trust I, 8.25% Pfd. |
| 758 | Entergy Arkansas, Inc., 7.40% Pfd. |
| 70,000 | FPC Capital I, 7.10% Pfd., Series A |
| \$ 4,500,000 | Houston Light & Power, Capital Trust II, 8.257%, 02/01/37 Capital Security |
| 30,445 | Indianapolis Power & Light Company, 5.65% Pfd. |
| | Interstate Power & Light Company: |
| 90,000 | 7.10% Pfd., Series C |
| 38,600 | 8.375% Pfd., Series B |
| \$ 5,000,000 | PECO Energy Capital Trust IV, 5.75% 06/15/33 Capital Security |
| 16,200 | PSEG Funding Trust II, 8.75% Pfd. |
| 120,000 | Southern Union Company, 7.55% Pfd. |
| 10,000 | Southwest Gas Capital II, 7.70% Pfd. |
| 5,000 | Union Electric Company, \$7.64 Pfd. |
| 82,717 | Wisconsin Power & Light Company, 6.50% Pfd. |

OIL AND GAS -- 0.8%

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2,750 EOG Resources, Inc., 7.195% Pfd., Series B

REAL ESTATE INVESTMENT TRUST (REIT) -- 6.2%

16,020 AMB Property Corporation, 6.75% Pfd., REIT, Series M

40,000 BRE Properties, Inc., 6.75% Pfd., REIT, Series C

38,750 Carramerica Realty Corporation, 7.50% Pfd., REIT, Series E

Duke Realty Corporation:

50,000 6.50% Pfd., REIT, Series K

10,000 6.60% Pfd., REIT, Series L

19,549 6.625% Pfd., REIT, Series J

Equity Residential Properties:

18,962 6.48% Pfd., REIT, Series N

85,000 8.29% Pfd., REIT, Series K

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Flaherty & Crumrine/Claymore Total Return Fund Incorporated
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 FEBRUARY 28, 2005 (UNAUDITED)

SHARES/\$ PAR

PREFERRED SECURITIES - (CONTINUED)

REAL ESTATE INVESTMENT TRUST (REIT) -- (CONTINUED)

PS Business Parks, Inc.:

57,000 6.875% Pfd., REIT, Series I

16,900 7.00% Pfd., REIT, Series H

44,500 7.60% Pfd., REIT, Series L

45,000 7.95% Pfd., REIT, Series K

Public Storage, Inc.:

44,200 7.50% Pfd., REIT, Series V

1,400 7.625% Pfd., REIT, Series T

48,600 8.00% Pfd., REIT, Series R

125,000 Regency Centers Corporation, 7.25% Pfd., REIT

86,000 Weingarten Realty Investment, 6.95% Pfd., REIT

MISCELLANEOUS INDUSTRIES -- 0.8%

34,000 Ocean Spray Cranberries, Inc., 6.25% Pfd., 144A****

TOTAL PREFERRED SECURITIES

(Cost \$254,083,997)

CORPORATE DEBT SECURITIES -- 22.1%

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FINANCIAL SERVICES -- 1.4%

| | |
|--------------|---|
| 600 | Corp-Backed Trust Certificates, 5.80% Pfd., Series Goldman Sachs |
| \$ 5,018,000 | Lehman Brothers, Guaranteed Note, Variable Rate, 12/16/16, 144A**** |

INSURANCE -- 4.8%

| | |
|--------------|--|
| 20,000 | American Financial Group, Inc., 7.125% 02/03/34, Senior Note |
| \$ 8,700,000 | OneAmerica Financial Partners, 7.00% 10/15/33, 144A**** |
| \$ 7,000,000 | UnumProvident Corporation, 7.25% 03/15/28, Senior Notes |

OIL AND GAS -- 2.6%

| | |
|---------|---|
| 356,200 | Nexen, Inc., 7.35% Subordinated Notes |
|---------|---|

UTILITIES -- 11.0%

| | |
|--------------|--|
| \$ 2,000,000 | AEP Texas Central Company, 6.65% 02/15/33, Senior Notes, Series E..... |
| \$ 6,100,000 | Constellation Energy Group, 7.60% Pfd., 04/01/32, Senior Notes |

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Flaherty & Crumrine/Claymore Total Return Fund Incorporated
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 FEBRUARY 28, 2005 (UNAUDITED)

SHARES/\$ PAR

CORPORATE DEBT SECURITIES - (CONTINUED)
 UTILITIES -- (CONTINUED)

| | | |
|--------------|---|----|
| 27,200 | Corp-Backed Trust Certificates, 7.875% 02/15/32, Series Duke Capital | \$ |
| \$ 5,000,000 | Duke Capital Corporation, 8.00% 10/01/19 Senior Notes | |
| 5,000 | Entergy Mississippi, Inc., 7.25% 1st Mortgage | |
| 66,700 | Georgia Power Company, 6.00%, 08/15/44, Senior Notes, FGIC Insured | |
| \$ 4,000,000 | Indianapolis Power & Light Company, 6.60% 01/01/34, 1st Mortgage, 144A**** | |
| \$ 4,000,000 | Interstate Power & Light Company, 6.45% 10/15/33, Senior Notes | |
| \$ 5,670,000 | Oncor Electric Delivery Company, 7.25% 01/15/33, Secured | |
| \$ 1,200,000 | TXU Corporation, 6.55% 11/15/34, 144A**** | |
| \$ 4,000,000 | Wisconsin Electric Power Company, 6.875% 12/01/95 | |

MISCELLANEOUS -- 2.3%

| | |
|--------------|--|
| 19,625 | Ford Motor Company, 7.50% 06/10/43, Senior Notes |
| \$ 6,265,000 | General Motors Corporation, 8.80% 03/01/21 |

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25,300 Maytag Corporation, 7.875% 08/01/31
 \$ 950,000 Verizon Maryland, 7.15% 05/01/23

TOTAL CORPORATE DEBT SECURITIES
 (Cost \$75,942,231)

COMMON STOCK AND CONVERTIBLE SECURITIES -- 2.7%
 INSURANCE -- 0.2%

36,000 XL Capital Ltd., 6.50% Mandatory Convertible, 05/15/07

UTILITIES -- 2.5%

114,077 FPL Group, Inc

TOTAL COMMON STOCK AND CONVERTIBLE SECURITIES
 (Cost \$8,889,977)

OPTION CONTRACTS -- 1.1%

2,300 June Put Options on June U.S. Treasury Bond Futures, Expiring 05/20/05

TOTAL OPTION CONTRACTS
 (Cost \$2,773,916)

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Flaherty & Crumrine/Claymore Total Return Fund Incorporated
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 FEBRUARY 28, 2005 (UNAUDITED)

SHARES/\$ PAR

MONEY MARKET FUND -- 0.0%

110,327 BlackRock Provident Institutional, TempFund \$

TOTAL MONEY MARKET FUND
 (Cost \$110,327)

TOTAL INVESTMENTS (Cost \$341,800,448***) 98.4%
 OTHER ASSETS AND LIABILITIES (NET) 1.6%

TOTAL NET ASSETS AVAILABLE TO COMMON STOCK AND PREFERRED STOCK 100.0%+ \$

AUCTION MARKET PREFERRED STOCK (AMPS) REDEMPTION VALUE (

TOTAL NET ASSETS AVAILABLE TO COMMON STOCK \$
 =====

 Flaherty & Crumrine/Claymore Total Return Fund Incorporated
 STATEMENT OF CHANGES IN NET ASSETS AVAILABLE TO COMMON STOCK(1)
 FOR THE PERIOD FROM DECEMBER 1, 2004 THROUGH FEBRUARY 28, 2005 (UNAUDITED)

| | VALUE |
|--|---------------------|
| | ----- |
| OPERATIONS: | |
| Net investment income | \$ 4,980 |
| Net realized loss on investments sold during the period | (1,010) |
| Change in net unrealized appreciation of investments held during the period | 8,799 |
| Distributions to Auction Market Preferred Stock (AMPS) Shareholders from net investment income, including changes in accumulated undeclared distributions | (733) |
| | ----- |
| NET INCREASE IN NET ASSETS FROM OPERATIONS | 12,035 |
| DISTRIBUTIONS: | |
| Dividends paid from net investment income to Common Stock Shareholders(2) | (4,762) |
| | ----- |
| TOTAL DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS | (4,762) |
| FUND SHARE TRANSACTIONS: | |
| Increase from Common Stock Transactions | 536 |
| | ----- |
| NET INCREASE IN NET ASSETS AVAILABLE TO COMMON STOCK RESULTING FROM FUND SHARE TRANSACTIONS | 536 |
| NET INCREASE IN NET ASSETS AVAILABLE TO COMMON STOCK FOR THE PERIOD | \$ 7,809 ===== |
| ----- | |
| NET ASSETS AVAILABLE TO COMMON STOCK: | |
| Beginning of period | \$ 229,804 |
| Net increase during the period | 7,809 |
| | ----- |
| End of period | \$ 237,614 ===== |

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FOR A COMMON SHARE OUTSTANDING THROUGHOUT THE PERIOD.

PER SHARE OPERATING PERFORMANCE:

Net asset value, beginning of period \$

INVESTMENT OPERATIONS:

Net investment income

Net realized and unrealized gain on investments

DISTRIBUTIONS TO AMPS* SHAREHOLDERS:

From net investment income

From net realized capital gains

Total from investment operations

DISTRIBUTIONS TO COMMON SHAREHOLDERS:

From net investment income

From net realized capital gains

Total distributions to Common Shareholders

Net asset value, end of period \$

Market value, end of period \$

Common shares outstanding, end of period 9,77

RATIOS TO AVERAGE NET ASSETS AVAILABLE TO COMMON STOCK SHAREHOLDERS:

Net investment income +

Operating expenses

SUPPLEMENTAL DATA:++

Portfolio turnover rate

Total net assets available to Common and Preferred Stock, end of period (in 000's) \$ 36

Ratio of operating expenses to total average net assets available to

Common and Preferred Stock

Flaherty & Crumrine/Claymore Total Return Fund Incorporated

FINANCIAL HIGHLIGHTS (CONTINUED)

PER SHARE OF COMMON STOCK (UNAUDITED)

| | TOTAL DIVIDENDS PAID | NET ASSET VALUE | NYSE CLOSING PRICE | DIVIDEND REINVESTMENT PRICE (1) |
|-------------------------|----------------------------|--------------------|-----------------------|---------------------------------------|
| | ----- | ----- | ----- | ----- |
| December 31, 2004 | \$0.1625 | \$24.08 | \$24.80 | \$24.08 |
| January 31, 2005 | 0.1625 | 24.33 | 24.28 | 24.50 |

February 28, 2005 0.1625 24.31 23.55 23.87

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[GRAPHIC OMITTED]

LIGHTHOUSE GRAPHIC

FLAHERTY & CRUMRINE/CLAYMORE

=====

TOTAL RETURN FUND

QUARTERLY
REPORT

FEBRUARY 28, 2005

web site: www.fcclaymore.com

DIRECTORS

Martin Brody
Donald F. Crumrine, CFA
Nicholas Dalmaso
David Gale
Morgan Gust
Robert F. Wulf, CFA

OFFICERS

Donald F. Crumrine, CFA
Chairman of the Board
and Chief Executive Officer
Robert M. Ettinger, CFA
President
R. Eric Chadwick, CFA
Chief Financial Officer,
Vice President, Treasurer
and Secretary
Peter C. Stimes, CFA
Chief Compliance
Officer and Vice President
Nicholas Dalmaso
Vice President
Bradford S. Stone
Vice President
Laurie Lodolo
Assistant Compliance Officer,
Assistant Treasurer and

Assistant Secretary

INVESTMENT ADVISER

Flaherty & Crumrine Incorporated
e-mail: flaherty@pfdincome.com

QUESTIONS CONCERNING YOUR SHARES OF FLAHERTY &
CRUMRINE/CLAYMORE TOTAL RETURN FUND?

- o If your shares are held in a Brokerage Account, contact your Broker.
- o If you have physical possession of your shares in certificate form, contact the Fund's Transfer Agent & Shareholder Servicing Agent --

PFPC Inc.
P.O. Box 43027
Providence, RI 02940-3027
1-800-331-1710

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