

Edgar Filing: DEBT STRATEGIES FUND - Form N-Q

DEBT STRATEGIES FUND

Form N-Q

January 25, 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: 02/28/2007

Date of reporting period: 09/01/06 - 11/30/06

Item 1 - Schedule of Investments

BlackRock Debt Strategies Fund, Inc.  
Schedule of Investments as of November 30, 2006 (in U.S. dollars)

	Face Amount	Corporate Bonds
Aerospace & Defense - 3.3%	\$ 5,000,000	Alliant Techsystems, Inc., 3% due 8/15/2024 (b) (j)
	470,000	Argo-Tech Corp., 9.25% due 6/01/2011
	565,000	Bombardier, Inc., 8% due 11/15/2014 (j)
	7,500,000	L-3 Communications Corp., 3% due 8/01/2035 (b) (j)
	9,870,000	Vought Aircraft Industries, Inc., 8% due 7/15/2011
Automobiles - 0.1%	1,000,000	United Auto Group, Inc., 7.75% due 12/15/2016 (j)
Automotive - 3.4%	2,500,000	Delco Remy International, Inc., 9.374% due 4/15/200
	4,900,000	Ford Motor Co., 7.45% due 7/16/2031
	750,000	Ford Motor Credit Co., 9.824% due 4/15/2012 (c)
	4,500,000	The Goodyear Tire & Rubber Co., 9.14% due 12/01/200
	1,830,000	The Goodyear Tire & Rubber Co., 8.625% due 12/01/200
	1,620,000	Lear Corp., 8.75% due 12/01/2016 (j)
	10,050,000	Metaldyne Corp., 11% due 6/15/2012
	4,450,000	Venture Holdings Co. LLC, 12% due 6/01/2009 (f)

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

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Broadcasting - 4.6%

5,000,000	Canadian Satellite Radio Holdings, Inc., 12.75% due
1,100,000	LIN Television Corp. Series B, 6.50% due 5/15/2013
2,800,000	Paxson Communications Corp., 8.757% due 1/15/2012 (
3,235,000	Sinclair Broadcast Group, Inc. Class A, 4.875% due
11,680,000	Sirius Satellite Radio, Inc., 9.625% due 8/01/2013
8,000,000	XM Satellite Radio, Inc., 9.871% due 5/01/2013 (c)
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. - 9.6%

7,500,000	Adelphia Communications Corp., 6% due 2/15/2006 (b)
3,450,000	CSC Holdings, Inc., 7.25% due 7/15/2008
4,225,000	Cablevision Systems Corp. Series B, 9.87% due 4/01/
3,750,000	Charter Communications Holdings LLC, 10% due 4/01/2
2,000,000	Charter Communications Holdings LLC, 11.75% due 1/1
2,000,000	Charter Communications Holdings LLC, 11.125% due 1/
3,000,000	Charter Communications Holdings LLC, 10% due 5/15/2
1,289,000	Insight Midwest, LP, 9.75% due 10/01/2009
7,500,000	Intelsat Bermuda Ltd., 11.354% due 6/15/2013 (c) (j)
10,350,000	Intelsat Intermediate Holding Co. Ltd., 9.25% due 2
2,215,000	Intelsat Subsidiary Holdings Co. Ltd., 10.484% due
3,375,000	Intelsat Subsidiary Holdings Co. Ltd., 8.25% due 1/
4,800,000	Intelsat Subsidiary Holdings Co. Ltd., 8.625% due 1
1,023,000	Loral Spacecom Corp., 14% due 11/15/2015 (h)
3,875,000	Mediacom LLC, 9.50% due 1/15/2013
7,260,000	PanAmSat Corp., 9% due 6/15/2016 (j)
10,000,000	Rainbow National Services LLC, 10.375% due 9/01/201

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Chemicals - 9.8%

3,550,000	ArCo Chemical Co., 9.80% due 2/01/2020
4,000,000	Compass Minerals International, Inc. Series B, 12%
9,783,000	GEO Specialty Chemicals, Inc., 13.867% due 12/31/20
1,166,000	Huntsman International, LLC, 9.875% due 3/01/2009
1,500,000	Innophos, Inc., 8.875% due 8/15/2014
7,650,000	Lyondell Chemical Co., 8% due 9/15/2014
1,775,000	Lyondell Chemical Co., 8.25% due 9/15/2016
2,400,000	Millennium America, Inc., 7.625% due 11/15/2026
1,050,000	Momentive Performance Materials, Inc., 10.125% due

BlackRock Debt Strategies Fund, Inc.

Schedule of Investments as of November 30, 2006

(in U.S. dollars)

Face  
Amount Corporate Bonds

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\$17,025,000	Nova Chemicals Corp., 8.502% due 11/15/2013 (c)
10,000,000	Omnova Solutions, Inc., 11.25% due 6/01/2010
5,025,101	PCI Chemicals Canada, Inc., 10% due 12/31/2008
2,500,000	PolyOne Corp., 6.89% due 9/22/2008

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	2,612,000	Rockwood Specialties Group, Inc., 10.625% due 5/15/2012
	1,405,000	Tronox Worldwide LLC, 9.50% due 12/01/2012
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Consumer - Durables - 1.7%	16,500,000	Simmons Co., 11.074% due 12/15/2014 (i)
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Consumer - Non-Durables - 1.8%	9,000,000	Hines Nurseries, Inc., 10.25% due 10/01/2011
	5,750,000	Levi Strauss & Co., 10.122% due 4/01/2012 (c)
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Diversified Media - 5.3%	280,000	Affinion Group, Inc., 10.125% due 10/15/2013
	950,000	Affinion Group, Inc., 11.50% due 10/15/2015
	2,000,000	Cadmus Communications Corp., 8.375% due 6/15/2014
	7,435,133	Houghton Mifflin Co., 12.127% due 5/15/2011 (c) (j)
	4,250,000	Idearc, Inc., 8% due 11/15/2016 (j)
	7,500,000	Liberty Media Corp., 0.75% due 3/30/2023 (b)
	2,675,000	Muzak Holdings, LLC, 13% due 3/15/2010
	3,875,000	NBC Acquisition Corp., 11% due 3/15/2013 (i)
	580,000	Network Communications, Inc., 10.75% due 12/01/2013
	4,325,000	Nielsen Finance LLC, 10% due 8/01/2014 (j)
	5,300,000	Universal City Florida Holdings Co. I, 10.239% due
-----		
Energy - Exploration & Production - 1.3%	480,000	Berry Petroleum Co., 8.25% due 11/01/2016
	3,000,000	Chaparral Energy, Inc., 8.50% due 12/01/2015
	5,500,000	Compton Petroleum Finance Corp., 7.625% due 12/01/2015
	960,000	Stone Energy Corp., 8.124% due 7/15/2010 (c) (j)
-----		
Energy - Other - 2.3%	2,045,000	Dresser-Rand Group, Inc., 7.375% due 11/01/2014
	8,000,000	Ocean RIG ASA, 9.37% due 4/04/2011
	6,300,000	SemGroup LP, 8.75% due 11/15/2015 (j)
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Financial - 1.1%	5,743,690	Archimedes Funding III Ltd., 5.50% due 11/29/2011 (i)
	1,500,000	Investcorp SA, 7.54% due 10/21/2008
	1,210,000	NCO Group, Inc., 10.244% due 11/15/2013 (c) (j)
	2,000,000	Pennant CBO Ltd., 13.43% due 3/14/2011 (j)
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Food & Tobacco - 0.1%	842,946	Archibald Candy Corp., 10% due 11/01/2007 (f)
	600,000	Swift & Co., 12.50% due 1/01/2010
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Gaming - 3.7%	9,250,000	Galaxy Entertainment Finance Co. Ltd., 10.42% due 11/15/2015
	1,250,000	Galaxy Entertainment Finance Co. Ltd., 9.875% due 11/15/2015
	5,250,000	Inn of the Mountain Gods Resort & Casino, 12% due 11/15/2015
	2,560,000	Little Traverse Bay Bands of Odawa Indians, 10.25% due 11/15/2015
	915,000	Penn National Gaming, Inc., 6.75% due 3/01/2015
	3,400,000	Station Casinos, Inc., 7.75% due 8/15/2016
	3,000,000	Tunica-Biloxi Gaming Authority, 9% due 11/15/2015 (i)
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Health Care - 6.4%	3,525,000	CDRV Investors, Inc., 9.75% due 1/01/2015 (i)

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4,963,829	Cinacalcet Royalty Corp., 8% due 3/30/2017 (j)
3,525,000	Elan Finance Plc, 7.75% due 11/15/2011
4,825,000	Elan Finance Plc, 9.405% due 11/15/2011 (c)
9,000,000	HealthSouth Corp., 11.418% due 6/15/2014 (c)(j)
4,475,000	HealthSouth Corp., 10.75% due 6/15/2016 (j)
1,400,000	Omnicare, Inc. Series OCR, 3.25% due 12/15/2035 (b)

BlackRock Debt Strategies Fund, Inc.

Schedule of Investments as of November 30, 2006

(in U.S. dollars)

	Face Amount	Corporate Bonds
	\$ 5,000,000	Risperdal Consta Pharma, 7% due 1/01/2018
	6,000,000	Tenet Healthcare Corp., 7.375% due 2/01/2013
	1,400,000	VWR International, Inc., 8% due 4/15/2014
	4,100,000	Vanguard Health Holding Co. I, LLC, 11.25% due 10/0
Housing - 5.6%	2,319,000	Goodman Global Holdings Co., Inc., 8.329% due 6/15
	8,200,000	Goodman Global Holdings Co., Inc., 7.875% due 12/15
	10,000,000	Masonite Corp., 11% due 4/06/2015 (j)
	5,850,000	Nortek, Inc., 8.50% due 9/01/2014
	5,450,000	Ply Gem Industries, Inc., 9% due 2/15/2012
	3,000,000	Scranton Products, Inc., 12.39% due 7/01/2012 (c)
	1,300,000	Scranton Products, Inc., 10.50% due 7/01/2013
	2,250,000	Stanley-Martin Communities LLC, 9.75% due 8/15/2015
	5,000,000	Technical Olympic USA, Inc., 8.25% due 4/01/2011 (j)
Information Technology - 6.9%	6,950,000	Amkor Technology, Inc., 9.25% due 2/15/2008
	3,000,000	Amkor Technology, Inc., 7.125% due 3/15/2011
	720,000	Compagnie Generale de Geophysique SA, 7.50% due 5/1
	1,000,000	Cypress Semiconductor Corp., 1.25% due 6/15/2008 (b)
	5,770,000	Freescale Semiconductor, Inc., 9.125% due 12/15/201
	4,270,000	Freescale Semiconductor, Inc., 9.244% due 12/15/201
	1,235,000	Freescale Semiconductor, Inc., 10.125% due 12/15/20
	1,435,000	MagnaChip Semiconductor SA, 8.61% due 12/15/2011 (c)
	6,300,000	SunGard Data Systems, Inc., 9.125% due 8/15/2013
	4,600,000	SunGard Data Systems, Inc., 9.973% due 8/15/2013 (c)
	4,818,000	SunGard Data Systems, Inc., 10.25% due 8/15/2015
	2,925,000	Telcordia Technologies, Inc., 10% due 3/15/2013 (j)
	2,775,000	UGS Capital Corp. II, 10.348% due 6/01/2011 (h)(j)
	3,500,000	Viasystems, Inc., 10.50% due 1/15/2011
Leisure - 2.7%	5,371,156	HRP Myrtle Beach Holdings LLC, 14.50% due 4/01/2014
	5,000,000	HRP Myrtle Beach Operations LLC, 9.829% due 4/01/20
	5,000,000	HRP Myrtle Beach Operations LLC, 12.50% due 4/01/20
	700,000	Travelport, Inc., 9.875% due 9/01/2014 (j)
	750,000	Travelport, Inc., 9.994% due 9/01/2014 (c)(j)
	230,000	Travelport, Inc., 11.875% due 9/01/2016 (j)
	2,000,000	True Temper Sports, Inc., 8.375% due 9/15/2011

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Manufacturing - 1.5%	4,000,000	CPI Holdco, Inc., 11.298% due 2/01/2015 (c)
	3,815,000	Invensys Plc, 9.875% due 3/15/2011 (j)
	2,465,000	NXP B.V., 9.50% due 10/15/2015 (j)
Metal - Other - 2.7%	1,500,000	Indalex Holding Corp., 11.50% due 2/01/2014
	5,000,000	Indalex Holding Corp., 11.50% due 2/01/2014 (j)
	8,500,000	James River Coal Co., 9.375% due 6/01/2012
	4,550,000	RathGibson, Inc., 11.25% due 2/15/2014
Packaging - 1.9%	665,000	Berry Plastics Holding Corp., 8.875% due 9/15/2014
	190,000	Berry Plastics Holding Corp., 9.235% due 9/15/2014
	1,100,000	Graham Packing Co., Inc., 9.875% due 10/15/2014
	6,215,000	Packaging Dynamics Finance Corp., 10% due 5/01/2016
	6,325,000	Wise Metals Group LLC, 10.25% due 5/15/2012
Paper - 9.7%	6,500,000	Abitibi-Consolidated, Inc., 8.86% due 6/15/2011 (c)
	9,725,000	Ainsworth Lumber Co. Ltd., 9.249% due 10/01/2010 (c)
	8,000,000	Ainsworth Lumber Co. Ltd., 9.499% due 4/01/2013 (c)

BlackRock Debt Strategies Fund, Inc.

Schedule of Investments as of November 30, 2006

(in U.S. dollars)

	Face Amount	Corporate Bonds
	\$ 2,150,000	Boise Cascade LLC, 8.382% due 10/15/2012 (c)
	900,000	Boise Cascade LLC, 7.125% due 10/15/2014
	7,600,000	Bowater, Inc., 8.36% due 3/15/2010 (c)
	3,775,000	Domtar, Inc., 7.125% due 8/15/2015
	1,555,000	Graphic Packaging International Corp., 9.50% due 8/15/2015
	8,000,000	NewPage Corp., 11.739% due 5/01/2012 (c)
	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 4/01/2015
	4,400,000	Verso Paper Holdings LLC, 9.121% due 8/01/2014 (c)
530,000	Verso Paper Holdings LLC, 11.375% due 8/01/2016 (j)	
Pharmaceuticals - 0.7%	5,000,000	Angiotech Pharmaceuticals, Inc., 9.103% due 12/01/2015
Retail - 3.7%	2,200,000	Buffets, Inc., 12.50% due 11/01/2014 (j)
	3,790,000	Michaels Stores, Inc., 10% due 11/01/2014 (j)
	8,660,000	Michaels Stores, Inc., 11.375% due 11/01/2016 (j)
	6,000,000	Neiman Marcus Group, Inc., 9% due 10/15/2015
	5,000,000	Neiman Marcus Group, Inc., 10.375% due 10/15/2015

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Service - 2.8%	2,000,000	Buhrmann US, Inc., 7.875% due 3/01/2015
	3,000,000	Neff Rental LLC, 11.25% due 6/15/2012
	14,825,000	United Rentals North America, Inc., 7.75% due 11/15/2012

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Telecommunications - 4.3%	5,000,000	ADC Telecommunications, Inc., 5.729% due 6/15/2013
	4,905,000	Cincinnati Bell, Inc., 7.25% due 7/15/2013
	195,000	Cincinnati Bell, Inc., 8.375% due 1/15/2014
	2,600,000	Nordic Telephone Co. Holdings ApS, 8.875% due 5/01/2013
	630,000	Nortel Networks Ltd., 9.624% due 7/15/2011 (c) (j)
	7,900,000	Qwest Communications International, Inc., 8.874% due 7/15/2011 (c) (j)
	2,675,000	Qwest Corp., 8.61% due 6/15/2013 (c)
	6,000,000	Time Warner Telecom Holdings, Inc., 9.25% due 2/15/2013

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Transportation - 0.3%	790,000	Britannia Bulk Plc, 11% due 12/01/2011 (j)
	1,760,000	Titan Petrochemicals Group Ltd., 8.50% due 3/18/2011

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Utility - 1.9%	4,142,000	Centerpoint Energy, Inc. Series B, 3.75% due 5/15/2012
	1,150,000	Conexant Systems, Inc., 9.124% due 11/15/2010 (c) (j)
	510,000	Dynegy Holdings, Inc., 8.375% due 5/01/2016
	4,000,000	El Paso Performance-Linked Trust, 7.75% due 7/15/2012
	440,000	Reliant Energy, Inc., 9.50% due 7/15/2013
	1,425,000	Williams Cos., Inc., 8.625% due 6/01/2010

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Wireless Communications - 2.0%	5,250,000	Cricket Communications, Inc., 9.375% due 11/01/2014
	2,150,000	FiberTower Corp., 9% due 11/15/2012 (b) (j)
	2,500,000	iPCS Escrow Co., 11.50% due 5/01/2012
	300,000	West Corp., 9.50% due 10/15/2014 (j)
	3,270,000	West Corp., 11% due 10/15/2016 (j)

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Total Corporate Bonds (Cost - \$741,417,950) - 101.3%

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Floating Rate Loan Interests\*\*

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Airlines - 1.1%	3,000,000	Delta Air Lines Term Loan B, 10.118% due 3/16/2008
	3,000,000	Delta Air Lines Term Loan C, 12.773% due 3/16/2008
	248,750	United Air Lines Delay Draw Term Loan, 9.125% due 2/01/2012
	1,741,250	United Air Lines Term Loan B, 9.12% due 2/01/2012

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(in U.S. dollars)

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	Face Amount	Floating Rate Loan Interests**
Automotive - 3.8%	\$ 7,775,042	Delphi Automotive Systems Term Loan B, 13.75% due 6/15/2014
	1,685,185	Intermet Corp. Letter of Credit, 10.20% due 11/08/2010
	4,814,815	Intermet Corp. Term Loan B, 10.39% due 11/08/2010
	4,000,000	JL French Corp. First Lien Term Loan, 8.375% due 6/15/2014
	2,000,000	JL French Corp. Second Lien Term Loan, 10.75% due 6/15/2014
	2,185,236	Tenneco Automotive, Inc. Term Loan B, 7.36% due 12/12/2010
	959,936	Tenneco Automotive, Inc. Tranche B-1 Credit Linked Term Loan, 7.36% due 12/12/2010
	5,750,000	Visteon Corp. Term Loan B, 8.61% due 6/13/2013
Broadcasting - 1.1%	6,500,000	Ellis Communications Term Loan, 10% due 12/30/2011
	1,500,000	Persona Communications Second Lien Term Loan, 11.32% due 12/30/2011
Cable - U.S. - 9.1%	10,000,000	Adelphia Communications Corp. Term Loan B, 10.25% due 12/31/2009
	8,317,962	Cebridge Connections Second Lien Term Loan, 11.49% due 11/06/2010
	4,310,344	Cebridge Connections Term Loan B, 7.62% due 11/06/2010
	7,000,000	Century Cable Holdings LLC Discretionary Term Loan, 10.00% due 12/31/2009
	20,000,000	Charter Communications, Inc. Term Loan B, 8.005% due 12/31/2014
	6,750,000	Insight Midwest Holdings LLC Delayed Draw Term Loan, 10.00% due 4/03/2014
	2,250,000	Insight Midwest Holdings LLC Term Loan B, 5.32% due 12/31/2014
	6,000,000	Olympus Cable Holdings LLC Term Loan B, 10.25% due 6/30/2010
	1,500,000	Olympus Cable Holdings LLC Tranche 2 Term Loan A, 9.00% due 6/30/2010
Chemicals - 2.1%	2,809,462	Huntsman ICI Holdings Term Loan B, 7.07% due 8/16/2012
	741,000	NuSil Technology Term Loan, 8.07% due 10/31/2013
	3,152,000	Rockwood Specialties Group, Inc. Tranche D Term Loan, 12.121% due 12/13/2012
	10,000,000	Wellman, Inc. Second Lien Term Loan, 12.121% due 2/15/2014
Consumer - Non-Durables - 0.1%	300,000	Gold Toe Investment Corp. Second Lien Term Loan, 11.00% due 4/30/2014
	662,069	Renfro Corp. Term Loan B, 8.61% - 10.50% due 9/30/2013
Diversified Media - 1.0%	7,000,000	Idearc, Inc. Term Loan B, 7.32% due 11/15/2014
Energy - Exploration & Production - 1.6%	10,000,000	Frontier Drilling Term Loan B, 8.64% - 8.69% due 6/15/2014
	500,000	Longyear Global Holdings, Inc. Second Lien Term Loan, 10.00% due 10/31/2013
	1,243,750	MEG Energy Corp. Term Loan B, 7.375% due 4/03/2013

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Schedule of Investments as of November 30, 2006

(in U.S. dollars)

	Face Amount	Floating Rate Loan Interests**
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Energy - Other - 1.3%	\$ 468,153	Coletto Creek Wle LP Letter of Credit, 8.128% due 7/
	31,847	Coletto Creek Wle LP Term Loan B, 8.128% due 7/31/20
	1,000,000	Exco Resources, Inc. Second Lien Term Loan, 11.32%
	8,000,000	Scorpion Drilling Ltd. Second Lien Term Loan, 13.57%
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Financial - 1.0%	6,000,000	JG Wentworth Manufacturing Term Loan, 8.867% 4/12/2
	250,000	Kyle Acquisition Term Loan B, 8.875% due 7/20/2009
	1,000,000	Nielsen Finance LLC Term Loan B, 8.125% due 8/15/20
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Food & Tobacco - 2.5%	1,000,000	Bolthouse Farms, Inc. Second Lien Term Loan, 10.867%
	2,801,750	Commonwealth Brands Term Loan, 7.688% due 12/22/201
	1,000,000	DS Waters Enterprises, LP Term Loan B, 7.82% due 11
	465,116	Dole Food Co., Inc. Letter of Credit, 5.244% due 4/
	1,041,279	Dole Food Co., Inc. Term Loan B, 7.438% - 9.25% due
	3,470,930	Dole Food Co., Inc. Term Loan C, 7.313% - 9.25% due
	1,000,000	Eight O'Clock Coffee Second Lien Term Loan, 8.125%
	6,000,000	QCE LLC Second Lien Term Loan, 11.117% due 11/05/20
	2,070,000	S&C Holdco 2, Inc. Term Loan, 8% due 3/19/2010
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Gaming - 0.7%	5,000,000	Venetian Macau U.S. Finance Co. LLC Term Loan B, 8.
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Housing - 0.8%	4,672,338	Headwaters, Inc. Term Loan B-1, 7.38% due 4/30/2011
	1,000,000	Ply Gem Industries, Inc. First Lien Term Loan, 11.0
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Information Technology - 3.4%	3,787,892	Activant Solutions Term Loan B, 7.375% - 7.438% due
	1,000,000	Advanced Micro Devices, Inc. Term Loan B, 7.57% due
	8,000,000	Aspect Software Second Lien Term Loan, 12.375% due
	3,027,500	Fidelity National Information Solutions, Inc. Term due 3/08/2013
	3,500,000	The Reynolds and Reynolds Company Third Lien Term L 10/31/2014
	3,324,375	Telcordia Technologies, Inc. Term Loan, 7.86% - 7.9
	2,000,000	Verifone, Inc. Term Loan B, 7.07% due 2/28/2013
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Metal - Other - 1.2%	4,010,526	Euramax International Plc Second Lien Term Loan, 12 due 6/29/2013
	1,989,474	Euramax International Plc Second Lien Term Loan, 12 due 6/29/2013
	2,551,265	Euramax International Plc Tranche 3 Term Loan B, 8. due 6/29/2012



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Packaging - 0.8%	3,832,759	Anchor Glass Container Corp. Term Loan B, 7.617% - due 5/03/2013
	2,000,000	Graham Packaging Co. LP Second Lien Term Loan, 9.68%

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	Face Amount	Floating Rate Loan Interests**
Retail - 0.1%	\$ 1,000,000	Petco Animal Supplies, Inc. Term Loan, 8.07% - 8.10%
Service - 1.3%	3,500,000	NES Rentals Holdings, Inc. Term Loan C, 12.125% due
	6,049,200	Waste Services, Inc. Term Loan B, 8.32% - 10.50% du

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Telecommunications - 0.7%	500,000	Time Warner Telecom Term Loan, 7.57% due 10/31/2013
	3,161,871	Winstar Communications Debtor in Possession, 6.366% due 12/31/2006 (f)

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Utility - 1.7%	2,000,000	Calpine Corp. Second Lien Debtor in Possession, 9.3% due 12/20/2007
	1,995,000	Covanta Energy Corp. Delay Draw Term Loan, 7.621% d
	3,250,000	Covanta Energy Corp. Second Lien Term Loan, 10.871%
	4,000,000	Generac Portable Products, Inc. Second Lien Term Lo due 5/15/2014
	750,000	NE Energy Second Lien Term Loan, 7.82% due 10/31/20

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Wireless Communications - 1.2%	5,500,000	Centennial Cellular Operating Co. Term Loan, 7.57% due 2/09/2011
	3,000,000	West Corp. Term Loan, 8.07% due 10/31/2013

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Total Floating Rate Loan Interests (Cost - \$264,228)

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	Shares Held	Common Stocks
Cable - U.S. - 0.6%	149,627	Loral Space & Communications Ltd. (e)
Chemicals - 0.1%	339,340	GEO Specialty Chemicals, Inc. (e)

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Financial - 0.3%	35,000	Preferred Term Securities VI (j)
Food & Tobacco - 0.3%	1,428,423	Viskase Cos., Inc. (e)
Leisure - 0.1%	5,000 27,787	HRP PIK Corp. Class B (j) Lodgian, Inc. (e)
Manufacturing - 0.9%	724,291 403 286,757	ACP Holding Co. (e) GenTek Inc. (e) Medis Technologies Ltd. (e)
Paper - 0.0%	211,149	Western Forest Products, Inc. (e)
Service - 0.4%	90,876	Outsourcing Solutions Inc. (e)
Steel - 0.0%	41,149	Acme Package Corp. Senior Holdings (e) (l)
Total Common Stocks (Cost - \$22,346,702) - 2.7%		

Preferred Stocks

Automotive - 0.6%	200,000	General Motors Corp. Series C, 6.25% (b)
Cable - U.S. - 0.3%	5,000 9,594	Adelphia Communications Corp., Series B, 13% (e) Loral Spacecom Corp., Series A, 12% (e) (h)
Total Preferred Stocks (Cost - \$7,243,044) - 0.9%		

Warrants (a)

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)

BlackRock Debt Strategies Fund, Inc.  
Schedule of Investments as of November 30, 2006 (in U.S. dollars)

Shares  
Held Warrants (a)

Manufacturing - 0.1%	652,739 471	ACP Holding Co. (expires 9/30/2013) GenTek Inc. Tranche B (expires 11/10/2008)
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231 GenTek Inc. Tranche C (expires 11/10/2010)

Paper - 0.0% 17 Cellu Tissue Holdings, Inc. (expires 5/08/2007)  
7,000 MDP Acquisitions Plc (expires 10/01/2013)

Wireless Communications - 0.1% 1,325 American Tower Corp. (expires 8/01/2008)  
Total Warrants (Cost - \$870,754) - 0.2%

	Beneficial Interest	Other Interests (g)
Automotive - 0.0%	\$ 3,614,601	Cambridge Industries, Inc. (Litigation Trust Certif
Total Other Interests (Cost - \$0) - 0.0%		

Short-Term Securities

	10,729,351	BlackRock Liquidity Series, LLC Cash Sweep Series I
Total Short-Term Securities (Cost - \$10,729,351) -		
Total Investments (Cost - \$1,046,836,067*) - 143.2%		
Liabilities in Excess of Other Assets - (43.2%)		
Net Assets - 100.0%		

\* The cost and unrealized appreciation (depreciation) of investments as of November 30, 2006, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 1,046,578,127
	=====
Gross unrealized appreciation	\$ 32,895,947
Gross unrealized depreciation	(44,118,753)
	-----
Net unrealized depreciation	\$ (11,222,806)
	=====

\*\* Floating rate loan interests in which the Fund invests generally pay interest at rates that are periodically redetermined 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) 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.

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- (b) Convertible security.
- (c) Floating rate security.
- (d) 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
BlackRock Liquidity Series, LLC Cash Sweep Series I	\$ 10,729,351	\$218,222

- (e) Non-income producing security.
- (f) Non-income producing security; issuer filed for bankruptcy or is in default of interest payments.
- (g) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (h) Represents a pay-in-kind security which may pay interest/dividends in additional face/shares.
- (i) Represents a step bond; the interest rate shown reflects the effective yield at the time of purchase.
- (j) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.
- (k) Represents the current yield as of November 30, 2006.
- (l) Restricted securities 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	--	--

- (m) As a result of bankruptcy proceedings, the company did not repay the principal amount of the security upon maturity and is non-income producing.
- 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 percentage of net assets.

BlackRock Debt Strategies Fund, Inc.  
 Schedule of Investments as of November 30, 2006 (in U.S. dollars)

- o Swaps outstanding as of November 30, 2006 were as follows:

	Notional Amount	Unrealized Appreciation
Sold credit default protection on General Motors Corp. and receive 5%		

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Broker, Citibank N.A. Expires December 2006	\$ 8,000,000	\$ 601,704
Sold credit default protection on General Motors Corp. and receive 5%		
Broker, Lehman Brothers Special Finance Expires December 2006	\$ 7,000,000	578,991
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Total		\$ 1,180,695 =====

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: January 23, 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.

By: /s/ Robert C. Doll, Jr.

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Robert C. Doll, Jr.

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Chief Executive Officer  
BlackRock Debt Strategies Fund, Inc.

Date: January 23, 2007

By: /s/ Donald C. Burke

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

Date: January 23, 2007