BLACKROCK DEBT STRATEGIES FUND, INC.

Form N-Q July 24, 2009 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: Donald C. Burke, 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: (800) 882-0052, Option 4

Date of fiscal year end: 02/28/2010

Date of reporting period: 05/31/2009

Item 1 – Schedule of Investments

BlackRock Debt Strategies Fund, Inc.

Schedule of Investments May 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

Industry Aerospace & Defense - 0.4%	Corporate Bonds	Par (000)	Value	
	Hawker Beechcraft Acquisition Co. LLC, 8.50%, 4/01/15	USD 3,200	\$ 1,344,000	
Auto Components - 0.7%	Allison Transmission, Inc., 11%, 11/01/15 (a)	320	249,600	
	Allison Transmission, Inc., 11.25%, 11/01/15 (a)(b)	1,020	683,400	
	The Goodyear Tire & Rubber Co., 8.625%, 12/01/11	1,000	972,500	
	Lear Corp., 8.75%, 12/01/16	700	182,000	
	Venture Holdings Co. LLC, 12%, 6/01/09 (c)(d)	4,450	(
	Venture Holdings Co. LLC Series B, 9.50%, 7/01/05 (c)(d)(e)	1,800	180	
			2,087,680	
Building Products - 3.7%	Building Materials Corp. of America, 7.75%, 8/01/14	4,000	3,500,000	
	CPG International I, Inc., 8.561%, 7/01/12 (f)	7,500	3,975,000	
	CPG International I, Inc., 10.50%, 7/01/13	1,300	682,500	
	Momentive Performance Materials, Inc. Series WI, 9.75%,			
	12/01/14	1,600	608,000	
	Ply Gem Industries, Inc., 11.75%, 6/15/13	4,220	2,700,800	
			11,466,300	
Capital Markets - 2.3%	E*Trade Financial Corp., 12.50%, 11/30/17 (a)(b)	10,625	7,039,063	
Chemicals - 3.3%	American Pacific Corp., 9%, 2/01/15	1,490	1,300,025	
	GEO Specialty Chemicals Corp., 7.50%, 3/31/15 (a)(b)(g)	4,067	2,643,682	
	GEO Specialty Chemicals, Inc., 10%, 3/31/15 (a)(f)	4,106	2,668,640	
	Wellman Holdings, Inc. Second Lien Subordinate Note, 10%,			
	1/29/19 (a)(g)	2,978	2,978,000	
	Wellman Holdings, Inc. Third Lien Subordinate Note, 5%,	,	, ,	
	1/29/19 (a)(g)	906	453,000	
			10,043,347	
Commercial Services & Supplies - 0.9%	West Corp., 11%, 10/15/16	3,270	2,779,500	
Construction Materials - 0.9%	Nortek, Inc., 10%, 12/01/13	3,070	1,987,825	
	Nortek, Inc., 8.50%, 9/01/14	2,850	755,250	
			2,743,075	
Containers & Packaging - 2.6%	Berry Plastics Holding Corp., 4.504%, 9/15/14 (f)	375	245,625	
	Packaging Dynamics Finance Corp., 10%, 5/01/16 (a)	6,215	2,082,025	
			2,261,000	
	Smurfit Kappa Funding Plc, 7.75%, 4/01/15	3,325	2,201,000	
	Smurfit Kappa Funding Plc, 7.75%, 4/01/15 Smurfit-Stone Container Enterprises, Inc., 8.375%, 7/01/12	3,323	2,201,00	
		1,600	504,000	
	Smurfit-Stone Container Enterprises, Inc., 8.375%, 7/01/12			

8,040,713

Diversified Consumer Services - 0.6%	NBC Acquisition Corp., 11%, 3/15/13		3,875	1,937,500
Diversified Financial Services - 5.8%	Archimedes Funding III Ltd., 5.50%, 11/29/11 (a) FCE Bank Plc, 7.125%, 1/16/12	EUR	5,744 8.000	2,067,728 9,613,210
	1 1	LUK	0,000	7,013,210

BlackRock Debt Strategies Fund, Inc.

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(Percentages shown are based on Net Assets)

Industry	Corporate Bonds	Par (000)	Value	
	Ford Motor Credit Co. LLC, 3.889%, 1/13/12 (f)	USD 2,680	\$ 2,117,200	
	GMAC LLC, 6.875%, 9/15/11 (a)	900	805,500	
	GMAC LLC, 6.75%, 12/01/14 (a)	3,690	3,081,150	
	GMAC LLC, 8%, 11/01/31 (a)	460	345,000	
			18,029,788	
Diversified Telecommunication				
Services - 2.1%	Nordic Telephone Co. Holdings ApS, 8.875%, 5/01/16 (a)	2,600	2,600,000	
	Qwest Corp., 8.375%, 5/01/16 (a)	4,000	3,930,000	
		,	<u> </u>	
			6,530,000	
Electric Utilities - 0.4%	NSG Holdings LLC, 7.75%, 12/15/25 (a)	1,505	1,211,525	
Electronic Equipment, Instruments & Components -				
0.0%	Muzak Holdings, LLC, 13%, 3/15/10 (c)(d)	2,675	133,750	
Food & Staples Retailing - 0.2%	Supervalu, Inc., 8%, 5/01/16	500	490,000	
Health Care Equipment &		4.250	2 405 000	
Supplies - 1.1%	DJO Finance LLC, 10.875%, 11/15/14	4,250	3,485,000	
Health Care Providers & Services - 1.0%	Community Health Systems, Inc. Series WI, 8.875%, 7/15/15	3,010	2,976,137	
Hotels, Restaurants & Leisure -	HRP Myrtle Beach Holdings LLC, 14.50%, 4/01/14			
4.5%	(a)(b)(c)(d)	6,892	8,614	
	HRP Myrtle Beach Operations LLC, 7.383%, 4/01/12 (a)(c)(d)	5,000	50,000	
	HRP Myrtle Beach Operations LLC, 12.50%, 4/01/13 (a)(c)(d)	5,000	6,250	
	Harrah s Operating Co., Inc., 10%, 12/15/15 (a)	1,160	788,800	
	Harrah s Operating Co., Inc., 10%, 12/15/18 (a)	2,377	1,586,648	
	Harrah s Operating Co., Inc., 10%, 12/15/18 (a)	3,863	2,578,553	
	Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14			
	(a)	2,560	1,107,200	
	MGM Mirage, 10.375%, 5/15/14 (a)	800	824,000	
	MGM Mirage, 11.125%, 11/15/17 (a)	1,340	1,403,650	
	Shingle Springs Tribal Gaming Authority, 9.375%, 6/15/15 (a)	1,370	794,600	
	Snoqualmie Entertainment Authority, 5.384%, 2/01/14 (a)(f)	1,015	530,338	
	Travelport LLC, 5.293%, 9/01/14 (f)	2,160	1,080,000	
	Tropicana Entertainment LLC Series WI, 9.625%, 12/15/14 (c)(d)	530	2,650	
	Tunica-Biloxi Gaming Authority, 9%, 11/15/15 (a)	1,860	1,613,550	
	Universal City Florida Holding Co. I, 5.778%, 5/01/10 (f)	2,000	1,430,000	
	, 3 ,	,		
			13,804,853	

Household Durables - 0.6%	KB Home, 6.375%, 8/15/11 Stanley-Martin Communities LLC, 9.75%, 8/15/15	1,170 2,250	1,123,200 697,500
			1,820,700
	2		

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First Data Corp., 11.25%, 3/31/16 (a) 1,800 972,000	Industry	Corporate Bonds		Par (000)		Value
Independent Power Producers	IT Services - 0.4%	First Data Corp., 9.875%, 9/24/15	USD	425	\$	289,000
Independent Power Producers & Energy Traders - 1.6% Calpine Construction Finance Co. L.P., 8%, 6/01/16 (a) 1,250 1,189,065 Energy Future Holdings Corp., 11,25%, 11/01/17 (b) 3,392 1,748,655 Texas Competitive Electric Holdings Co. L.L.C, 10,25%, 11/01/15 1,800 1,066,500 Texas Competitive Electric Holdings Co. L.L.C, 11,25%, 11/01/16 (b) 2,535 991,578 Industrial Conglomerates - 1,5% Sequa Corp., 11,75%, 12/01/15 (a) 5,100 2,269,500 Sequa Corp., 13,50%, 12/01/15 (a) 5,100 2,269,500 Sequa Corp., 13,50%, 12/01/15 (a) 7,291 2,360,481 Insurance - 0.9% Alliant Holdings I, Inc., 11%, 5/01/15 (a) 2,500 1,862,500 USI Holdings Corp., 4.758%, 11/15/14 (a)(f) 1,630 892,422 Alliant Holdings Corp., 4.758%, 11/15/14 (a)(f) 3,070 2,210,400 Ingersoll-Rand Global Holding Co. Ltd., 9.50%, 4/15/14 960 1,040,501 RBS Global, Inc., 8.95%, 8/01/16 1,685 1,221,622 Titan International, Inc., 8%, 1/15/12 1,530 1,315,800 Marine - 0.2% Navios Maritime Holdings, Inc., 9.50%, 12/15/14 465 355,722 Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 1,760 369,600 Media - 6.3% Affinion Group, Inc., 10.125%, 10/15/13 1,080 1,015,200 Cardert Communications Holdings, Inc., 12,75%, 2/15/14 5,000 1,75,000 Charter Communications Holdings, Inc., 11.125%, 1/15/11 1,319 65,955 Column Communications Holdings, Inc., 11.125%, 1/15/11 1,319 65,955 Column Columnications Holdings, Inc., 11.125%, 1/15/11 1,319 65,955 Columnic Columnic Columnic Holdings LLC, 11.125%, 1/15/11 1,319 65,955 Columnic Columnic Columnic Columnic Holdings LLC, 11.125%, 1/15/11 1,319 65,955 Calculation State Inc., 10,125%, 1/15/11 1,319 65,955 Calculation		First Data Corp., 11.25%, 3/31/16 (a)		1,800		972,000
& Energy Traders - 1.6% Calpine Construction Finance Co. LP, 8%, 60/1/16 (a) 1,250 1,189,065 Energy Future Holdings Corp., 11,25%, 11/201/17 (b) 3,392 1,748,656 Texas Competitive Electric Holdings Co. LLC, 10,25%, 11/001/16 (b) 1,800 1,066,500 Texas Competitive Electric Holdings Co. LLC, 11,25%, 11/01/16 (b) 2,535 991,578 Industrial Conglomerates - 1,5% Sequa Corp., 11,75%, 12/01/15 (a) 5,100 2,269,500 Sequa Corp., 13,50%, 12/01/15 (a) (b) 7,291 2,360,481 Insurance - 0.9% Alliant Holdings I, Inc., 11%, 5/01/15 (a) 2,500 1,862,500 WIST Holdings Corp., 4,758%, 11/15/14 (a)(f) 3,070 2,210,400 Ingersol-Rand Global Holding Co. Ltd., 9,50%, 4/15/14 960 551,100 RBS Global, Inc., 9,50%, 8/01/14 (a) 660 551,100 RBS Global, Inc., 8,875%, 9/01/16 1,685 1,221,622 Titan International, Inc., 8,8%, 1/15/12 1,530 3,39,420 Marine - 0.2% Navios Maritime Holdings, Inc., 9,50%, 1/2/15/14 465 355,725 Titan Petrochemicals Group, Inc., 10,125%, 10/15/13 1,080 1,015,200 CSC Holdings,						1,261,000
Energy Future Holdings Corp., 11.25%, 11/01/17 (b) 3,392 1,748,652						
Texas Competitive Electric Holdings Co. LLC, 10.25%, 11/01/15 1,800 1,066,500 1,066,500 1,006,500 1,506 1,506 1,506 1,506 1,006,500 1,506,400 1,006,500 1,506,400 1,006,500 1,506,50	& Energy Traders - 1.6%					
11/01/15				3,392		1,748,654
Texas Competitive Electric Holdings Co. LLC, 11.25%, 11/101/16 (b)				1 800		1 066 500
Tidustrial Conglomerates -				1,000		1,000,500
Industrial Conglomerates - 1.5% Sequa Corp., 11.75%, 12/01/15 (a) 5,100 2,269,500 2,360,481 2,360,481 4,629,981 2,360,481 4,629,981 2,360,481 4,629,981 2,360,481 4,629,981 2,360,481 4,629,981 2,360,481 4,629,981 2,360,481 4,629,981 2,360,481 2,360 2,500 1,862,500 1,862,500 2,754,922 2,75				2,535		991,578
1.5% Sequa Corp., 11.75%, 12/01/15 (a) 5,100 2,269,506 Sequa Corp., 13.50%, 12/01/15 (a) (b) 7,291 2,360,481 4,629,9						4,995,794
Sequa Corp., 13.50%, 12/01/15 (a)(b) 7,291 2,360,481						
Insurance - 0.9% Alliant Holdings I, Inc., 11%, 5/01/15 (a) 2,500 1,862,500 1,862,500 1,630 892,425 2,754,925 2,754,925	1.5%			,		2,269,500
Insurance - 0.9%		Sequa Corp., 13.50%, 12/01/15 (a)(b)		7,291		2,360,481
USI Holdings Corp., 4.758%, 11/15/14 (a)(f) 1,630 892,422						4,629,981
Machinery - 2.0% ESCO Corp., 4.504%, 12/15/13 (a)(f) 3,070 2,210,400 Ingersoll-Rand Global Holding Co. Ltd., 9.50%, 4/15/14 960 1,040,501 RBS Global, Inc., 9.50%, 8/01/14 (a) 660 551,100 RBS Global, Inc., 8.875%, 9/01/16 1,685 1,221,625 Titan International, Inc., 8%, 1/15/12 1,530 1,315,800 Marine - 0.2% Navios Maritime Holdings, Inc., 9.50%, 12/15/14 465 355,725 Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 1,760 369,600 Total Petrochemicals Group Ltd., 8.50%, 3/18/12 1,080 1,015,200 CSC Holdings, Inc., 8.50%, 4/15/14 (a) 680 676,600 Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14 5,000 1,175,000 Charter Communications Holdings LLC, 10%, 4/01/09 (c)(d) 2,402 12,010 Charter Communications Holdings LLC, 11.125%, 1/15/11 (c)(d) 1,319 65,950 Control Communications Holdings LLC, 11.125%, 1/15/11 1,319 65,950 Control Communications Holdings LLC, 11.125%, 1/15/11 1,319 65,950 Control Communications Holdings LLC, 11.125%, 1/15/11 1,319 65,950	Insurance - 0.9%	Alliant Holdings I, Inc., 11%, 5/01/15 (a)		2,500		1,862,500
Machinery - 2.0% ESCO Corp., 4.504%, 12/15/13 (a)(f) 3,070 2,210,400 Ingersoll-Rand Global Holding Co. Ltd., 9.50%, 4/15/14 960 1,040,501 RBS Global, Inc., 9.50%, 8/01/14 (a) 660 551,100 RBS Global, Inc., 8.875%, 9/01/16 1,685 1,221,625 Titan International, Inc., 8%, 1/15/12 1,530 1,315,800 Marine - 0.2% Navios Maritime Holdings, Inc., 9.50%, 12/15/14 465 355,725 Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 1,760 369,600 Media - 6.3% Affinion Group, Inc., 10.125%, 10/15/13 1,080 1,015,200 CSC Holdings, Inc., 8.50%, 4/15/14 (a) 680 676,600 Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14 5,000 1,175,000 Charter Communications Holdings LLC, 10%, 4/01/09 (c)(d) 2,402 12,010 Charter Communications Holdings LLC, 11.125%, 1/15/11 1,319 65,950		USI Holdings Corp., 4.758%, 11/15/14 (a)(f)		1,630		892,425
Ingersoll-Rand Global Holding Co. Ltd., 9.50%, 4/15/14 960 1,040,501 RBS Global, Inc., 9.50%, 8/01/14 (a) 660 551,100 RBS Global, Inc., 8.875%, 9/01/16 1,685 1,221,625 Titan International, Inc., 8%, 1/15/12 1,530 1,315,800 Marine - 0.2% Navios Maritime Holdings, Inc., 9.50%, 12/15/14 465 355,725 Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 1,760 369,600 Media - 6.3% Affinion Group, Inc., 10.125%, 10/15/13 1,080 1,015,200 CSC Holdings, Inc., 8.50%, 4/15/14 (a) 680 676,600 Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14 5,000 1,175,000 Charter Communications Holdings LLC, 10%, 4/01/09 (c)(d) 2,402 12,010 Charter Communications Holdings LLC, 11.125%, 1/15/11 (c)(d) 1,319 65,950						2,754,925
RBS Global, Inc., 9.50%, 8/01/14 (a) 660 551,100 RBS Global, Inc., 8.875%, 9/01/16 1,685 1,221,625 Titan International, Inc., 8%, 1/15/12 1,530 1,315,800 Marine - 0.2% Navios Maritime Holdings, Inc., 9.50%, 12/15/14 465 355,725 Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 1,760 369,600 Media - 6.3% Affinion Group, Inc., 10.125%, 10/15/13 1,080 1,015,200 CSC Holdings, Inc., 8.50%, 4/15/14 (a) 680 676,600 Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14 5,000 1,175,000 Charter Communications Holdings LLC, 10%, 4/01/09 (c)(d) 2,402 12,010 Charter Communications Holdings LLC, 11.125%, 1/15/11 (c)(d) 1,319 65,950	Machinery - 2.0%	ESCO Corp., 4.504%, 12/15/13 (a)(f)		3,070		2,210,400
RBS Global, Inc., 8.875%, 9/01/16 Titan International, Inc., 8%, 1/15/12 Navios Maritime Holdings, Inc., 9.50%, 12/15/14 Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 Media - 6.3% Affinion Group, Inc., 10.125%, 10/15/13 CSC Holdings, Inc., 8.50%, 4/15/14 (a) Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14 5,000 Charter Communications Holdings LLC, 10%, 4/01/09 (c)(d) Charter Communications Holdings LLC, 11.125%, 1/15/11 (c)(d) Radio 1,085 1,221,625 1,315,800 1,315,80				960		1,040,501
Titan International, Inc., 8%, 1/15/12 1,530 1,315,800 6,339,420						551,100
Marine - 0.2% Navios Maritime Holdings, Inc., 9.50%, 12/15/14 465 355,725 Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 1,760 369,600 Media - 6.3% Affinion Group, Inc., 10.125%, 10/15/13 1,080 1,015,200 CSC Holdings, Inc., 8.50%, 4/15/14 (a) 680 676,600 Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14 5,000 1,175,000 Charter Communications Holdings LLC, 10%, 4/01/09 (c)(d) 2,402 12,010 Charter Communications Holdings LLC, 11.125%, 1/15/11 (c)(d) 1,319 65,950						
Marine - 0.2% Navios Maritime Holdings, Inc., 9.50%, 12/15/14 465 355,725 Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 1,760 369,600 725,325 Media - 6.3% Affinion Group, Inc., 10.125%, 10/15/13 1,080 1,015,200 CSC Holdings, Inc., 8.50%, 4/15/14 (a) 680 676,600 Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14 5,000 1,175,000 Charter Communications Holdings LLC, 10%, 4/01/09 (c)(d) 2,402 12,010 Charter Communications Holdings LLC, 11.125%, 1/15/11 1,319 65,950		Train International, 110, 10, 17, 17, 12		1,550	_	
Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 1,760 369,600 725,325 Media - 6.3% Affinion Group, Inc., 10.125%, 10/15/13 CSC Holdings, Inc., 8.50%, 4/15/14 (a) Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14 Charter Communications Holdings LLC, 10%, 4/01/09 (c)(d) Charter Communications Holdings LLC, 11.125%, 1/15/11 (c)(d) 1,319 369,600 1,015,200 680 676,600 1,175,000 1,175,000 1,175,000 1,175,000 1,175,000 1,175,000 1,175,000 1,319 65,950						0,337,420
Media - 6.3% Affinion Group, Inc., 10.125%, 10/15/13 1,080 1,015,200 CSC Holdings, Inc., 8.50%, 4/15/14 (a) 680 676,600 Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14 5,000 1,175,000 Charter Communications Holdings LLC, 10%, 4/01/09 (c)(d) 2,402 12,010 Charter Communications Holdings LLC, 11.125%, 1/15/11 (c)(d) 1,319 65,950	Marine - 0.2 %					355,725
Media - 6.3% Affinion Group, Inc., 10.125%, 10/15/13 1,080 1,015,200 CSC Holdings, Inc., 8.50%, 4/15/14 (a) 680 676,600 Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14 5,000 1,175,000 Charter Communications Holdings LLC, 10%, 4/01/09 (c)(d) 2,402 12,010 Charter Communications Holdings LLC, 11.125%, 1/15/11 1,319 65,950		Titan Petrochemicals Group Ltd., 8.50%, 3/18/12		1,760		369,600
CSC Holdings, Inc., 8.50%, 4/15/14 (a) 680 676,600 Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14 5,000 1,175,000 Charter Communications Holdings LLC, 10%, 4/01/09 (c)(d) 2,402 12,010 Charter Communications Holdings LLC, 11.125%, 1/15/11 (c)(d) 1,319 65,950						725,325
CSC Holdings, Inc., 8.50%, 4/15/14 (a) 680 676,600 Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14 5,000 1,175,000 Charter Communications Holdings LLC, 10%, 4/01/09 (c)(d) 2,402 12,010 Charter Communications Holdings LLC, 11.125%, 1/15/11 (c)(d) 1,319 65,950	Media - 6.3%	Affinion Group, Inc., 10.125%, 10/15/13		1,080		1,015,200
Charter Communications Holdings LLC, 10%, 4/01/09 (c)(d) 2,402 12,010 Charter Communications Holdings LLC, 11.125%, 1/15/11 (c)(d) 1,319 65,950		CSC Holdings, Inc., 8.50%, 4/15/14 (a)				676,600
Charter Communications Holdings LLC, 11.125%, 1/15/11 (c)(d) 1,319 65,950						1,175,000
(c)(d) 1,319 65,950				2,402		12,010
				1 210		65.050
						9,890