

Flaherty & Crumrine/CLAYMORE PREFERRED SECURITIES INCOME FUND INC

Form N-30B-2

April 24, 2007

FLAHERTY & CRUMRINE/CLAYMORE PREFERRED SECURITIES INCOME FUND

To the Shareholders of the Flaherty & Crumrine/Claymore Preferred Securities Income Fund ("FFC"):

During the Fund's first fiscal quarter ended February 28, 2007, the Fund performed well in choppy, but ultimately little-changed, fixed-income markets by earning a total return of 1.4% on its net asset value (NAV). These three months saw the Fund continue its recent strong performance.

Interest rates were unchanged to slightly higher over the quarter, as the Federal Reserve left the federal funds rate unchanged and long-term Treasury rates rose only slightly. Corporate credit spreads also ended the quarter little changed, while the Fund's interest-rate hedge had only a minimal impact. Both the recent quarter and trailing twelve-month periods delivered what the Fund is intended to produce - current income and stability of principal.

As you can see on the following pages detailing actual holdings in the Fund's portfolio, the Fund invests in a relatively small number of industries, including utilities and insurers, banks and other finance companies. In fact, the Fund has an investment mandate to concentrate at least 25% of its assets in each of the banking and utilities industries. In terms of the industries the Fund's assets are in, its portfolio is no different than the overall preferred securities market. Because of the preferred securities market's overall emphasis in financial services, a portfolio of preferred securities, including the Fund's, can be at risk if the U.S. economy goes into recession.

One important area of recent concern for the U.S. economy in general, and U.S. credit markets in particular, is subprime mortgage lending, which has experienced increasing default and delinquency rates in recent months. The numbers here are large in an absolute sense, but they are small relative to a \$13 trillion U.S. economy and to the mortgage market as a whole. Because of this, while we cannot entirely rule it out, we currently do not believe that problems in subprime mortgages will push the economy into recession.

The Fund holds no positions in securities issued by mortgage brokers or subprime specialty lenders. Nonetheless, many of the banks and insurance companies in which we have invested do have some exposure to subprime mortgages in their lending or investment portfolios. While we are examining these companies very closely, the lack of detailed disclosure about subprime mortgages makes it impossible for us to make definitive statements about the Fund's potential exposure to the problem. However, given what we now know and can infer about the companies in which we invest, we expect that EARNINGS (which flow to the companies' common shareholders) will be reduced at some of the companies we hold as a result of the problems in subprime lending. However, we currently do not expect that they will suffer losses large enough to cut meaningfully into CAPITAL (which support the debt and preferred securities owned by the Fund). Although we cannot rule out the possibility - despite our best judgment to the contrary - that some of the Fund's investments could be seriously affected, we do not currently see any serious subprime credit problems in the holdings of the Fund.

The Fund's website at [WWW.FCCLAYMORE.COM](http://WWW.FCCLAYMORE.COM) has more information about Fund performance and a more complete discussion of the state of the economy (in our First Quarter Economic Update) and of subprime mortgages and their potential

impact on the economy and the Fund's portfolio (in the "FAQ" section). We encourage you to explore the website for a wide range of additional information about your Fund.

Sincerely,

/S/ DONALD F. CRUMRINE  
Donald F. Crumrine  
Chairman of the Board

/S/ ROBERT M. ETTINGER  
Robert M. Ettinger  
President

April 20, 2007

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Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated  
PORTFOLIO OVERVIEW  
FEBRUARY 28, 2007 (UNAUDITED)  
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FUND STATISTICS ON 02/28/07

Net Asset Value	\$	23.44
Market Price	\$	21.81
Discount		6.95%
Yield on Market Price		7.02%
Common Shares Outstanding		42,601,719

INDUSTRY CATEGORIES % OF PORTFOLIO

[GRAPHIC OMITTED]  
EDGAR REPRESENTATION OF DATA POINTS

Other	3%
Banks	38%
Utilities	26%
Insurance	18%
Financial Services	8%
Energy	4%
REITs	3%

MOODY'S RATINGS % OF PORTFOLIO

AAA	0.2%
AA	2.1%
A	27.1%

BBB	52.9%
BB	11.0%
Not Rated	5.2%
Below Investment Grade*	12.5%

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

TOP 10 HOLDINGS BY ISSUER	% OF PORTFOLIO
Wachovia Corp	4.8%
Capital One Financial	4.6%
Banco Santander	4.6%
Dominion Resources	3.6%
HBOS Plc	3.3%
Liberty Mutual Group	3.1%
ACE Ltd	2.8%
JPMorgan Chase	2.7%
Midamerican Energy	2.6%
FBOP Corporation	1.9%

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

Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated  
 PORTFOLIO OF INVESTMENTS  
 FEBRUARY 28, 2007 (UNAUDITED)

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PREFERRED SECURITIES -- 84.6%  
 BANKING -- 37.8%

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\$ 19,000,000	Astoria Capital Trust I, 9.75% 11/01/29 Capital Security, Series B.....
	Auction Pass-Through Trust, Cl. B:
65	Series 2006-5, Variable Rate Pfd., 144A****.....
65	Series 2006-6, Variable Rate Pfd., 144A****.....
40,000	BAC Capital Trust I, 7.00% Pfd. 12/15/31.....
10,400	BAC Capital Trust II, 7.00% Pfd. 02/01/32.....
\$ 1,240,000	BankBoston Capital Trust I, 8.25% 12/15/26 Capital Security.....
	Banco Santander:
1,490,300	6.50% Pfd., 144A****.....
1,253,300	6.80% Pfd., 144A****.....
1,800	Bank of New York Capital IV, 6.875% Pfd., Series E.....
77,900	Bank One Capital Trust VI, 7.20% Pfd.....
\$ 8,800,000	Barclays Bank PLC, 6.278% Pfd.....
210,000	Capital One Capital II, 7.50% Pfd. 06/15/66.....
\$ 19,500,000	Capital One Capital III, 7.686% Pfd.....
60,000	Citigroup Cap VII, 7.125% Pfd., 07/31/31.....
69,500	Citigroup Cap XV, 6.50% Pfd. 09/15/66.....
112,000	Citizens Funding Trust I, 7.50% Pfd. 09/15/66.....
105,000	Cobank, ACB, 7.00% Pfd., 144A****.....
27,900	Comerica (Imperial) Capital Trust I, 7.60% Pfd. 07/01/50.....
\$ 800,000	CoreStates Capital Trust I, 8.00% 12/15/26 Capital Security, 144A****.....
\$ 2,500,000	Dime Capital Trust I, 9.33% 05/06/27 Capital Security, Series A.....
28,800	FBOP Corporation, Adj. Rate Pfd., 144A****.....
\$ 2,635,000	First Midwest Capital Trust I, 6.95% 12/01/33 Capital Security.....
	First Republic Bank:
400,000	6.25% Pfd.....
30,000	7.25% Pfd.....
6,000	First Republic Preferred Capital Corporation, 10.50% Pfd., 144A****.....
110,200	Fleet Capital Trust VIII, 7.20% Pfd. 03/15/32.....
6	FT Real Estate Securities Company, 9.50% Pfd., 144A****.....
\$ 37,550,000	GreenPoint Capital Trust I, 9.10% 06/01/27 Capital Security.....
	HBOS Capital Funding LP:
\$ 30,725,000	6.85% Pfd.....
\$ 19,250,000	6.413% Pfd., 144A****.....
7,500	HSBC Series II, Variable Inverse Pfd., Pvt.....
185,000	HSBC USA, Inc., 6.50% Pfd., Series H.....
	ING Groep NV:
36,000	7.05% Pfd.....
143,900	7.20% Pfd.....

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Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated  
 PORTFOLIO OF INVESTMENTS (CONTINUED)  
 FEBRUARY 28, 2007 (UNAUDITED)

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PREFERRED SECURITIES -- (CONTINUED)  
 BANKING -- (CONTINUED)

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\$ 15,343,000	JPMorgan Capital Trust I, 7.54% 01/15/27 Capital Security.....
3,700	JPMorgan Chase Capital X, 7.00% Pfd. 02/15/32, Series J.....
\$ 6,080,000	JPMorgan Chase Capital XVIII, 6.95% 08/17/36 Capital Security, Series R.....
250,000	JPMorgan Chase Capital XIX, 6.63% Pfd. 09/29/36, Series S.....
\$ 10,000,000	JPMorgan Chase Capital XXII, 6.45% 02/02/37, Series V.....
23,800	Keycorp Capital V, 5.875% Pfd., Series A.....
20,000	Keycorp Capital VIII, 7.00% Pfd. 06/15/66.....
517,000	Keycorp Capital IX, 6.75% Pfd. 12/15/66.....
\$ 2,000,000	Lloyds TSB Group PLC, 6.267% Pfd., 144A****.....
20	Marshall & Ilsley Investment II, 8.875% Pfd., 144A****.....
85,285	National City Capital Trust II, 6.625% Pfd. 11/15/36.....
\$ 3,000,000	North Fork Capital Trust I, 8.70% 12/15/26 Capital Security.....
265,000	PFGI Capital Corporation, 7.75% Pfd.....
\$ 6,500,000	RBS Capital Trust B, 6.80% Pfd.....
\$ 7,200,000	Republic New York Capital I, 7.75% 11/15/26 Capital Security.....
\$ 4,992,000	Republic New York Capital II, 7.53% 12/04/26 Capital Security.....
	Roslyn Real Estate:
40	8.95% Pfd., Series C, 144A****.....
135	Adj. Rate Pfd., Series D, 144A****.....
63,700	Sovereign Bancorp, 7.30% Pfd., Series C.....
248,100	Sovereign Capital Trust V, 7.75% Pfd. 05/22/36.....
\$ 13,500,000	Sovereign Capital Trust VI, 7.908% 06/13/36 Capital Security.....
\$ 6,500,000	UBS Realty Corp, 6.091% 01/15/12, 144A****.....
\$ 14,167,000	Union Planters Capital Trust, 8.20% 12/15/26 Capital Security.....
60	Union Planters Preferred Funding, 7.75% Pfd., Series 144A****.....
127,600	USB Capital VIII, 6.35% Pfd. 12/29/65.....
64,600	USB Capital X, 6.50% Pfd. 04/12/66.....
23,500	VNB Capital Trust I, 7.75% Pfd.....
650,000	Wachovia Capital Trust IV, 6.375% Pfd., 03/01/67.....
2,010,800	Wachovia Preferred Funding, 7.25% Pfd., Series A.....
\$ 10,050,000	Washington Mutual Preferred Funding, 6.534% Pfd., 144A****.....
\$ 8,000,000	Webster Capital Trust II, 10.00% 04/01/27 Capital Security.....
100,000	Wells Fargo Capital Trust IV, 7.00% Pfd. 09/01/31.....

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FINANCIAL SERVICES -- 5.5%

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202,500	Cabco Trust For Goldman Sachs Capital I, Adj. Rate Pfd. 02/15/34, Series GS.....
\$ 4,000,000	CIT Group, Inc., 6.10% 03/15/67.....
30,000	Corp-Backed Trust Certificates, 7.75% Pfd., Series CIT Group.....

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Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated  
 PORTFOLIO OF INVESTMENTS (CONTINUED)  
 FEBRUARY 28, 2007 (UNAUDITED)

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PREFERRED SECURITIES -- (CONTINUED)  
 FINANCIAL SERVICES -- (CONTINUED)

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714,295	Countrywide Capital IV, 6.75% Pfd.....
26,305	Countrywide Capital V, 7.00% Pfd., 11/01/36.....
3,600	Goldman Sachs Group, Inc., STRIPES Custodial Receipts, Pvt.....
\$ 7,000,000	Gulf Stream-Compass 2005 Composite Notes, 144A****.....
80,000	HSBC Finance Corporation, 6.875% Pfd., 01/30/33.....
5,000	Lehman Capital Trust IV, 6.375% Pfd., Series L.....
8,600	Lehman Capital Trust V, 6.00% Pfd., Series M.....
27,000	Merrill Lynch Cap Trust I, 6.45% Pfd., 12/15/66, Series K.....
4,000	Merrill Lynch Series II STRIPES Custodial Receipts, Pvt.....
114,867	Merrill Lynch Preferred Capital Trust IV, 7.12% Pfd.....
79,600	Morgan Stanley Capital Trust II, 7.25% Pfd.....
199,355	Morgan Stanley Capital Trust IV, 6.25% Pfd.....
9,000	Morgan Stanley Capital Trust V, 5.75% Pfd.....
389,500	Morgan Stanley Capital Trust VI, 6.60% Pfd.....
\$ 10,000,000	RACERS(R) Series 2005 AMMC V Trust, 144A****.....
160,000	SLM Corporation, 6.97% Pfd., Series A.....

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INSURANCE -- 15.8%

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1,669,980	ACE Ltd., 7.80% Pfd., Series C.....
\$ 4,000,000	AMBAC Financial Group, Inc., 6.15% 02/15/37.....
\$ 18,195,000	AON Capital Trust A, 8.205% 01/01/27 Capital Security.....
	Arch Capital Group Ltd.:
167,650	7.875% Pfd., Series B.....
21,800	8.00% Pfd.....
	AXA SA:
\$ 9,500,000	6.463% 12/14/18, 144A****.....
\$ 6,000,000	6.379% 12/14/36, 144A****.....
	Axis Capital Holdings:
451,300	7.25% Pfd., Series A.....
137,305	7.50% Pfd., Series B.....
352,600	Berkley W.R. Capital Trust II, 6.75% Pfd. 07/26/45.....
106,000	Corts-AON Capital, 8.205% Pfd.....
37,000	Corts-UnumProvident Corporation, 8.50% Pfd.....
150,400	Endurance Specialty Holdings, 7.75% Pfd.....
134,150	Everest Re Capital Trust II, 6.20% Pfd., Series B.....
\$ 5,000,000	Glen Meadow Pass-Through, 6.505% 02/12/67, 144A****.....
\$ 665,000	Great West Life & Annuity Insurance, 7.153% Pfd. 05/16/46, 144A****.....
\$ 20,500,000	Liberty Mutual Insurance, 7.80% 03/15/37, 144A****.....

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Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated  
 PORTFOLIO OF INVESTMENTS (CONTINUED)  
 FEBRUARY 28, 2007 (UNAUDITED)

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PREFERRED SECURITIES -- (CONTINUED)  
INSURANCE -- (CONTINUED)

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\$ 10,000,000	Mangrove Bay Passthru Trust, 6.102% 07/15/33 Capital Security, 144A****
180,289	PartnerRe Ltd., 6.75% Pfd., Series C
\$ 714,000	Provident Financing Trust I, 7.405% 03/15/38 Capital Security
\$ 9,000,000	Renaissancere Capital Trust, 8.54% 03/01/27 Capital Security, Series B
	Renaissancere Holdings Ltd.:
116,000	6.08% Pfd., Series C
260,000	6.60% Pfd., Series D
304,135	7.30% Pfd., Series B
94,900	Saturns-AON 2003-3, 8.00% Pfd., Series AON Corp
56,000	Saturns-SAFC 2001-7, 8.25% Pfd., Series Safeco Corp
407,200	Scottish Re Group Ltd., 7.25% Pfd
36,600	Torchmark Capital Trust III, 7.10% Pfd
\$ 7,425,000	USF&G Capital, 8.312% 07/01/46 Capital Security, 144A****
\$ 13,000,000	USF&G Capital I, 8.50% 12/15/45 Capital Security, 144A****
5,000	XL Capital Ltd., 7.625% Pfd., Series B

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UTILITIES -- 19.4%

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\$ 3,750,000	AGL Capital Trust, 8.17% 06/01/37 Capital Security
	Baltimore Gas & Electric Company:
10,000	6.70% Pfd., Series 1993
50,000	7.125% Pfd., Series 1993
820,359	Calenergy Capital Trust III, 6.50% Pfd. 09/01/27
35,000	Central Maine Power, 5.25% Pfd., Pvt
\$ 2,600,000	COMED Financing II, 8.50% 01/15/27 Capital Security, Series B
\$ 17,645,000	COMED Financing III, 6.35% 03/15/33 Capital Security
85,630	Dominion CNG Cap Trust I, 7.80% Pfd
\$ 25,175,000	Dominion Resources Capital Trust I, 7.83% 12/01/27 Capital Security
\$ 12,250,000	Dominion Resources Capital Trust III, 8.40% 01/15/31 Capital Security
\$ 11,000,000	Dominion Resources, Inc., 7.50%, Capital Security
	Entergy Arkansas, Inc.:
10,240	4.56% Pfd., Series 1965
625,000	6.45% Pfd
85,000	Entergy Louisiana, Inc., 6.95% Pfd
	Florida Power Company:
49,750	4.40% Pfd
21,585	4.60% Pfd
146,000	FPC Capital I, 7.10% Pfd., Series A
52,150	FPL Group Capital Trust I, 5.875% Pfd. 03/15/44

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Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated  
PORTFOLIO OF INVESTMENTS (CONTINUED)  
FEBRUARY 28, 2007 (UNAUDITED)

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SHARES/\$ PAR

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PREFERRED SECURITIES -- (CONTINUED)  
 UTILITIES -- (CONTINUED)

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584,050	FPL Group Capital, Inc., 6.60% Pfd. 10/01/66, Series A.....
12,442	Great Plains Energy, Inc., 4.20% Pfd.....
5,000	Indiana Michigan Power, 4.56% Pfd.....
119,805	Indianapolis Power & Light Company, 5.65% Pfd.....
	Interstate Power & Light Company:
110,000	7.10% Pfd., Series C.....
11,000	8.375% Pfd., Series B.....
32,300	Iacleda Capital Trust I, 7.70% Pfd.....
	Pacific Enterprises:
4,550	\$4.40 Pfd.....
4,510	\$4.50 Pfd.....
23,085	\$4.75 Pfd., Series 53.....
2,500	PacifiCorp, \$7.48 Sinking Fund Pfd.....
\$ 2,386,000	PECO Energy Capital Trust III, 7.38% 04/06/28 Capital Security, Series D.....
\$ 27,000,000	PECO Energy Capital Trust IV, 5.75% 06/15/33 Capital Security.....
9,495	Portland General Electric, 7.75% Sinking Fund Pfd.....
358,950	PSEG Funding Trust II, 8.75% Pfd.....
\$ 8,200,000	Puget Sound Energy Capital Trust, 8.231% 06/01/27 Capital Security, Series B.....
200,000	San Diego Gas & Electric Company, \$1.70 Pfd.....
	Southern California Edison:
115,750	6.00% Pfd.....
16,900	6.125% Pfd.....
7,800	Southern Company Capital Trust VI, 7.125% Pfd. 06/30/42.....
	Southern Union Company:
\$ 6,250,000	7.20% 11/01/66 Capital Security.....
228,700	7.55% Pfd.....
50,000	Strats-Dominion-2005-6, Adjustable Rate Pfd., 06/15/35, Series D.....
\$ 4,200,000	Union Electric Company, 7.69% 12/15/36 Capital Security, Series A.....
	Virginia Electric & Power Company:
14,985	\$4.12 Pfd.....
21,684	\$4.80 Pfd.....
35,000	\$6.98 Pfd.....
189,000	Virginia Power Capital Trust, 7.375% Pfd. 07/30/42.....
15,000	Wisconsin Power & Light Company, 6.20% Pfd.....
	Xcel Energy, Inc.:
7,110	\$4.10 Pfd., Series C.....
10,210	\$4.11 Pfd., Series D.....

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Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated  
 PORTFOLIO OF INVESTMENTS (CONTINUED)  
 FEBRUARY 28, 2007 (UNAUDITED)

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PREFERRED SECURITIES -- (CONTINUED)



OIL AND GAS -- 2.1%

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\$ 12,500,000	Enterprise Products Partners, 8.375% Pfd.....
13,200	EOG Resources, Inc., 7.195% Pfd., Series B.....
\$ 3,650,000	KN Capital Trust III, 7.63% 04/15/28 Capital Security.....

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REAL ESTATE INVESTMENT TRUST (REIT) -- 3.0%

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	BRE Properties, Inc.:
72,200	6.75% Pfd., Series C.....
224,000	8.08% Pfd., Series B.....
45,000	Equity Office Property Trust, 7.75% Pfd., Series G.....
51,000	Equity Residential Properties, 8.29% Pfd., Series K.....
4,980	Prologis Trust, 8.54% Pfd., Series C.....
	PS Business Parks, Inc.:
160,000	7.20% Pfd., Series M.....
203,400	7.60% Pfd., Series L.....
60,000	7.95% Pfd., Series K.....
	Public Storage, Inc.:
186,070	6.45% Pfd., Series F.....
52,000	6.63% Pfd., Series M.....
63,400	6.75% Pfd., Series E.....
30,000	6.85% Pfd., Series Y.....
511,000	7.25% Pfd., Series K.....
80,000	Realty Income Corp., 6.75% Pfd., Series E.....

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MISCELLANEOUS INDUSTRIES -- 1.0%

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2,245	Centaur Funding Corporation, 9.08% Pfd. 04/21/20, 144A****.....
112,750	Ocean Spray Cranberries, Inc., 6.25% Pfd., 144A****.....
\$ 3,000,000	TCI Comm Financing III, 9.65% 03/31/27 Capital Security.....

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TOTAL PREFERRED SECURITIES  
(Cost \$1,263,187,087).....

CORPORATE DEBT SECURITIES -- 14.7%

FINANCIAL SERVICES -- 2.4%

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200,000	Ford Motor Credit Company, 7.375% 10/15/31.....
\$ 25,000,000	General Motors Acceptance Corporation, 8.00% 11/01/31, Senior Bonds.....
\$ 4,824,312	Lehman Brothers, Guaranteed Note, Variable Rate, 12/16/16, 144A****.....

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CORPORATE DEBT SECURITIES -- (CONTINUED)  
INSURANCE -- 2.5%

239,000	Delphi Financial, 8.00% 05/15/33, Senior Notes.....
\$ 4,000,000	Farmers Exchange Capital, 7.20% 07/15/48, 144A****.....
\$ 24,921,000	Liberty Mutual Insurance, 7.697% 10/15/97, 144A****.....
\$ 1,000,000	UnumProvident Corporation, 7.25% 03/15/28, Senior Notes.....

UTILITIES -- 6.8%

	Duke Capital Corporation:
\$ 6,179,000	6.75% 02/15/32, Senior Notes.....
\$ 4,000,000	8.00% 10/01/19, Senior Notes.....
\$ 13,500,000	Duquesne Light Holdings, 6.25% 08/15/35.....
\$ 5,000,000	Entergy Gulf States, Inc., 6.20% 07/01/33, 1st Mortgage.....
	Entergy Louisiana LLC:
\$ 14,458,000	6.30% 09/01/35, 1st Mortgage.....
9,400	7.60% 04/01/32.....
16,500	Entergy Mississippi, Inc., 7.25%, 1st Mortgage.....
477,315	Georgia Power Company, 5.90% 04/15/33, Senior Notes.....
40,000	Northern States Power Company, 8.00%.....
	Oncor Electric Delivery Company:
\$ 2,000,000	7.00% 09/01/22.....
\$ 7,070,000	7.25% 01/15/33.....
227,000	PPL Energy Supply LLC, 7.00% 07/15/46.....
\$ 8,268,000	PSEG Power LLC, 8.625% 04/15/31.....
	Southern Union Company:
\$ 5,300,000	7.60% 02/01/24, Senior Notes.....
\$ 7,697,000	8.25% 11/15/29, Senior Notes.....
\$ 6,020,000	Wisconsin Electric Power Company, 6.875% 12/01/95.....

OIL AND GAS -- 1.7%

\$ 10,350,000	KN Energy, Inc., 7.45% 03/01/98.....
296,911	Nexen, Inc., 7.35% Subordinated Notes.....
\$ 8,500,000	Noble Energy, Inc., 7.25% 08/01/97.....

REAL ESTATE INVESTMENT TRUST (REIT) -- 0.2%

\$ 3,500,000	Realty Income Corporation, 5.875% 03/15/35.....
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Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated  
 PORTFOLIO OF INVESTMENTS (CONTINUED)  
 FEBRUARY 28, 2007 (UNAUDITED)

SHARES/\$ PAR

CORPORATE DEBT SECURITIES -- (CONTINUED)

MISCELLANEOUS INDUSTRIES -- 1.1%

	240,000	AT&T, Inc., 6.375% 02/15/56.....
\$	390,000	BellSouth Telecommunication, 7.00% 12/01/95.....
	80,000	Comcast Corp., 7.00% 09/15/55, Series B.....
		Corp-Backed Trust Certificates:
	30,000	7.00% 11/15/28, Series FON.....
	100,000	6.05% 02/15/33, Series BA.....
		Pulte Homes, Inc.:
	58,240	7.375% 06/01/46.....
\$	3,550,000	7.875% 06/15/32, Senior Notes.....

TOTAL CORPORATE DEBT SECURITIES

(Cost \$216,824,673).....

COMMON STOCKS -- 0.1%

BANKING -- 0.1%

	57,700	New York Community Bancorp, Inc.....
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TOTAL COMMON STOCKS

(Cost \$948,414).....

OPTION CONTRACTS -- 0.1%

	10,300	June Put Options on June U.S. Treasury Bond Futures, Expiring 05/25/07.....
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TOTAL OPTION CONTRACTS

(Cost \$4,301,750).....

Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated  
 PORTFOLIO OF INVESTMENTS (CONTINUED)  
 FEBRUARY 28, 2007 (UNAUDITED)

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MONEY MARKET FUND -- 0.8%	
11,521,519 BlackRock Provident Institutional, TempFund.....	
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TOTAL MONEY MARKET FUND	
(Cost \$11,521,519).....	
SECURITIES LENDING COLLATERAL -- 0.0%	
663,012 Institutional Money Market Trust.....	
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TOTAL SECURITIES LENDING COLLATERAL	
(Cost \$663,012).....	
TOTAL INVESTMENTS (Cost \$1,497,446,455***).....	100.3%
OTHER ASSETS AND LIABILITIES (Net).....	(0.3%)
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TOTAL NET ASSETS AVAILABLE TO COMMON STOCK AND PREFERRED STOCK.....	100.0%+
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AUCTION MARKET PREFERRED STOCK (AMPS) REDEMPTION VALUE.....	
TOTAL NET ASSETS AVAILABLE TO COMMON STOCK.....	

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 Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated  
 STATEMENT OF CHANGES IN NET ASSETS AVAILABLE TO COMMON STOCK(1)  
 FOR THE PERIOD FROM DECEMBER 1, 2006 THROUGH FEBRUARY 28, 2007 (UNAUDITED)  
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OPERATIONS:

Net investment income.....	
Net realized gain/(loss) on investments sold during the period.....	
Change in net unrealized appreciation/depreciation of investments held during the period .....	
Distributions to Auction Market Preferred Stock (AMPS) Shareholders from net investment income, including changes in accumulated undeclared distributions.....	
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS .....	

DISTRIBUTIONS:

Dividends paid from net investment income to Common Stock Shareholders (2).....	
TOTAL DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS .....	

FUND SHARE TRANSACTIONS:

Increase from shares issued under the Dividend Reinvestment and Cash Purchase Plan .....	
NET INCREASE IN NET ASSETS AVAILABLE TO COMMON STOCK RESULTING FROM FUND SHARE TRANSACTIONS .....	

NET INCREASE IN NET ASSETS AVAILABLE TO COMMON STOCK  
FOR THE PERIOD.....

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NET ASSETS AVAILABLE TO COMMON STOCK:  
Beginning of period.....  
Net increase in net assets during the period.....  
  
End of period.....

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Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated  
FINANCIAL HIGHLIGHTS(1)  
FOR THE PERIOD FROM DECEMBER 1, 2006 THROUGH FEBRUARY 28, 2007 (UNAUDITED)  
FOR A COMMON STOCK SHARE OUTSTANDING THROUGHOUT THE PERIOD.  
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PER SHARE OPERATING PERFORMANCE:  
Net asset value, beginning of period.....

INVESTMENT OPERATIONS:  
Net investment income .....  
Net realized and unrealized gain/(loss) on investments.....

DISTRIBUTIONS TO AMPS\* SHAREHOLDERS:  
From net investment income .....  
From net realized capital gains.....

Total from investment operations .....

DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:  
From net investment income .....  
From net realized capital gains.....

Total distributions to Common Stock Shareholders .....

Net asset value, end of period.....

Market value, end of period.....

Common shares outstanding, end of period.....

RATIOS TO AVERAGE NET ASSETS AVAILABLE TO COMMON STOCK SHAREHOLDERS:  
Net investment income+ .....  
Operating expenses.....

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SUPPLEMENTAL DATA:++

Portfolio turnover rate.....  
 Total net assets available to Common and Preferred Stock, end of period (in 000's).....  
 Ratio of operating expenses to total average net assets  
 available to Common and Preferred Stock .....

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 Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated  
 FINANCIAL HIGHLIGHTS (CONTINUED)  
 PER SHARE OF COMMON STOCK (UNAUDITED)  
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	TOTAL DIVIDENDS PAID	NET ASSET VALUE	NYSE CLOSING PRICE
	-----	-----	-----
December 31, 2006.....	\$0.1275	\$23.15	\$21.41
January 31, 2007.....	0.1275	23.13	21.75
February 28, 2007.....	0.1275	23.44	21.81

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 Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated  
 NOTES TO FINANCIAL STATEMENTS (UNAUDITED)  
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1. AGGREGATE INFORMATION FOR FEDERAL INCOME TAX PURPOSES

At February 28, 2007 the aggregate cost of securities for federal income tax purposes was \$1,508,169,215, the aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost was \$46,755,923 and the aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value was \$10,341,678.

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DIRECTORS

Donald F. Crumrine, CFA  
Chairman of the Board  
David Gale  
Morgan Gust  
Karen H. Hogan  
Robert F. Wulf, CFA

OFFICERS

Donald F. Crumrine, CFA  
Chief Executive Officer  
Robert M. Ettinger, CFA  
President  
R. Eric Chadwick, CFA  
Chief Financial Officer,  
Vice President and Treasurer  
Chad C. Conwell  
Chief Compliance Officer,  
Vice President and Secretary  
Bradford S. Stone  
Vice President and  
Assistant Treasurer  
Nicholas Dalmaso  
Vice President and Assistant Secretary  
Laurie C. Lodolo  
Assistant Compliance Officer,  
Assistant Treasurer and  
Assistant Secretary

INVESTMENT ADVISER

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

SERVICING AGENT

Claymore Securities, Inc.  
1-866-233-4001

QUESTIONS CONCERNING YOUR SHARES OF FLAHERTY &  
CRUMRINE/CLAYMORE PREFERRED SECURITIES  
INCOME 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 --

PFPC Inc. 1-800-331-1710

THIS REPORT IS SENT TO SHAREHOLDERS OF FLAHERTY & CRUMRINE/CLAYMORE PREFERRED SECURITIES INCOME FUND INCORPORATED FOR THEIR INFORMATION. IT IS NOT A PROSPECTUS, CIRCULAR OR REPRESENTATION INTENDED FOR USE IN THE PURCHASE OR SALE OF SHARES OF THE FUND OR OF ANY SECURITIES MENTIONED IN THIS REPORT.

[GRAPHIC OMITTED]  
LIGHTHOUSE ART

FLAHERTY & CRUMRINE/CLAYMORE  
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PREFERRED SECURITIES  
INCOME FUND

QUARTERLY  
REPORT

FEBRUARY 28, 2007

[www.fcclaymore.com](http://www.fcclaymore.com)