FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND INC
Form DEF 14A
February 16, 2007

SCHEDULE 14A
PROXY STATEMENT

PURSUANT TO SECTION 14(A) OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by Registrant [X]
Filed by Party other than the Registrant

Check the appropriate box:
[ ] Preliminary Proxy Statement

[ ] Confidential for Use of the Commission Only as permitted by Rule 14a-6(e)(2)
[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to Rule 14a-11c or Rule 14a-12

FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND INCORPORATED
(Name of Registrant as Specified in Its Charter)

_____
(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies: _____

(2) Aggregate number of securities to which transaction applies: _____

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11. (Set forth the amount on which the filing fee is calculated and state how it was determined):_____

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(1) Amount previously paid:_____
(2) Form, Schedule or Registration Statement No.:_____
(3) Filing Party: _____
(4) Date Filed: _____

FLAHERTY & CRUMRINE/CLAYMORE PREFERRED SECURITIES INCOME FUND INCORPORATED
(NYSE: FFC)
FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND INCORPORATED (NYSE: FLC)
301 E. Colorado Boulevard, Suite 720

Pasadena, California 91101

NOTICE OF ANNUAL MEETINGS OF SHAREHOLDERS
To Be Held on April 20, 2007

To the Shareholders:

Notice is hereby given that the Annual Meetings of Shareholders of Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated ("Preferred Securities Income Fund" or "FFC") and Flaherty & Crumrine/Claymore Total Return Fund Incorporated ("Total Return Fund" or "FLC") (each a "Fund" and, collectively, the "Funds"), each a Maryland corporation, will be held at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, Conference Room 45A, New York, New York 10019 at 8:30 a.m. ET, on April 20, 2007, for the following purposes:

1. To elect Directors of each Fund (PROPOSAL 1).

2. To transact such other business as may properly come before the Annual Meetings or any adjournments thereof.

YOUR VOTE IS IMPORTANT!

The proposal set forth in this proxy statement is a routine item. A routine item is one which occurs annually and makes no fundamental or material changes to a fund's investment objectives, policies or restrictions, or to the investment management contracts.

The Board of Directors of each Fund has fixed the close of business on January 26, 2007 as the record date for the determination of shareholders of each Fund entitled to notice of and to vote at the Annual Meetings.

By Order of the Boards of Directors,

February 16, 2007

CHAD C. CONWELL
SECRETARY

SEPARATE PROXY CARDS ARE ENCLOSED FOR EACH FUND IN WHICH YOU OWN SHARES. SHAREHOLDERS WHO DO NOT EXPECT TO ATTEND THE ANNUAL MEETINGS ARE REQUESTED TO COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD(S). THE PROXY CARD(S) SHOULD BE RETURNED IN THE ENCLOSED ENVELOPE, WHICH NEEDS NO POSTAGE IF MAILED IN THE CONTINENTAL UNITED STATES. INSTRUCTIONS FOR THE PROPER EXECUTION OF PROXIES ARE SET FORTH ON THE INSIDE COVER.

INSTRUCTIONS FOR SIGNING PROXY CARDS

The following general rules for signing proxy cards may be of assistance to you and may avoid the time and expense to the Fund(s) involved in validating your vote if you fail to sign your proxy card(s) properly.

1. Individual Accounts: Sign your name exactly as it appears in the registration on the proxy card(s).

2. Joint Accounts: Either party may sign, but the name of the party signing should conform exactly to a name shown in the registration.

3. All Other Accounts: The capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

REGISTRATION		VALID SIGNATURE
CORPORATE ACCOUNTS		
(1)	ABC Corp.	ABC Corp.
(2)	ABC Corp.	John Doe, Treasurer
(3)	ABC Corp. c/o John Doe, Treasurer	John Doe
(4)	ABC Corp. Profit Sharing Plan	John Doe, Trustee
TRUST ACCOUNTS		
(1)	ABC Trust	Jane B. Doe, Trustee
(2)	Jane B. Doe, Trustee u/t/d 12/28/78	Jane B. Doe
CUSTODIAN OR ESTATE ACCOUNTS		
(1)	John B. Smith, Cust., f/b/o John B. Smith, Jr. UGMA	John B. Smith
(2)	John B. Smith, Executor, estate of Jane Smith	John B. Smith, Jr., Executor

FLAHERTY & CRUMRINE/CLAYMORE PREFERRED SECURITIES INCOME FUND INCORPORATED
(NYSE: FFC)
FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND INCORPORATED (NYSE: FLC)

301 E. Colorado Boulevard, Suite 720
Pasadena, California 91101

ANNUAL MEETINGS OF SHAREHOLDERS
April 20, 2007

JOINT PROXY STATEMENT

This document is a joint proxy statement ("Joint Proxy Statement") for Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated ("PREFERRED SECURITIES INCOME FUND" OR "FFC") and Flaherty & Crumrine/Claymore Total Return Fund Incorporated ("TOTAL RETURN FUND" OR "FLC") (EACH A "FUND" AND, COLLECTIVELY, THE "FUNDS"). This Joint Proxy Statement is furnished in connection with the solicitation of proxies by each Fund's Board of Directors (each a "Board" and collectively, the "Boards") for use at the Annual Meeting of Shareholders of each Fund to be held on April 20, 2007, at 8:30 a.m. at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, Conference Room 45A, New York, New York 10019 and at any adjournments thereof (each a "Meeting" and collectively, the "Meetings"). A Notice of Annual Meetings of Shareholders and proxy card for each Fund of which you are a shareholder accompany this Joint Proxy Statement. Proxy solicitations will be made, beginning on or about February 16, 2007, primarily by mail, but proxy solicitations may also be made by telephone, telefax or personal interviews conducted by officers of each Fund, Flaherty & Crumrine Incorporated ("Flaherty & Crumrine" or the "Adviser"), the investment adviser of each Fund, Claymore Securities, Inc. (the "Servicing Agent"), the servicing agent of each Fund, and PFPC Inc., the transfer agent and administrator of each Fund and a member of The PNC Financial Services Group,

Inc. The costs of proxy solicitation and expenses incurred in connection with the preparation of this Joint Proxy Statement and its enclosures will be shared proportionally by the Funds. Each Fund also will reimburse brokerage firms and others for their expenses in forwarding solicitation material to the beneficial owners of its shares. This proxy statement and form of proxy are first being sent to shareholders on or about February 16, 2007.

THE ANNUAL REPORT OF EACH FUND, INCLUDING AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2006, IS AVAILABLE UPON REQUEST, WITHOUT CHARGE, BY WRITING TO PFPC INC., P.O. BOX 43027, PROVIDENCE, RI 02940-3027, OR CALLING 1-800-331-1710. EACH FUND'S ANNUAL REPORT IS ALSO AVAILABLE ON THE FUNDS' WEBSITE (WWW.FCCLAYMORE.COM), THE SECURITIES AND EXCHANGE COMMISSION'S ("SEC") WEBSITE (WWW.SEC.GOV), OR BY CALLING CLAYMORE SECURITIES, INC. AT 1-866-233-4001.

If the enclosed proxy card is properly executed and returned in time to be voted at the relevant Meeting, the Shares (as defined below) represented thereby will be voted in accordance with the instructions marked thereon. Unless instructions to the contrary are marked thereon, a proxy will be voted "FOR" the election of the nominees for Director. Any shareholder who has given a proxy has the right to revoke it at any time prior to its exercise either by attending the relevant Meeting and voting his or her Shares in person or by submitting a letter of revocation or a later-dated proxy to the appropriate Fund delivered at the above address prior to the date of the Meeting.

In the event that a quorum is not present at a Meeting, or in the event that a quorum is present but sufficient votes to approve any of the proposals are not received, the persons named as proxies may propose one or more adjournments of the Meeting to permit further solicitation of proxies. Any such adjournment will require the affirmative vote of a majority of those shares represented at the Meeting in person or by proxy. If a quorum is present, the persons named as proxies will vote those proxies which they are entitled to vote "FOR" a proposal in favor of such an adjournment with respect to that proposal and will vote those proxies required to be voted "AGAINST" a proposal against any such adjournment with respect to that proposal. A shareholder vote may be taken on a proposal in the Joint Proxy Statement prior to any such adjournment if sufficient votes have been received for approval of that proposal. Under the Bylaws of each Fund, a quorum is constituted by the presence in person or by proxy of the holders of a majority of the outstanding shares of the Fund entitled to vote at the Meeting. If a proposal is to be voted upon by only one class of a Fund's shares, a quorum of that class of shares must be present at the Meeting in order for the proposal to be considered.

Each Fund has two classes of capital stock: common stock, par value $0.01 per share (the "Common Stock"); and Auction Market Preferred Stock, par value $0.01 per share ("AMPS"; together with the Common Stock, the "Shares"). Each Share is entitled to one vote at the Meeting with respect to matters to be voted on by the class to which such Share belongs, with pro rata voting rights for any fractional Shares. On the record date, January 26, 2007, the following number of Shares of each Fund were issued and outstanding:

NAME OF FUND	COMMON STOCK OUTSTANDING
Preferred Securities Income Fund (FFC)	42,601,719

Total Return Fund (FLC)	9,776,333

To the knowledge of each Fund and its Board, the following shareholder(s) or "group", as that term is defined in Section 13(d) of the Securities Exchange Act of 1934 (the "1934 Act"), is the beneficial owner or owner of record of more than 5% of the relevant Fund's outstanding shares as of January 26, 2007*:

NAME AND ADDRESS OF BENEFICIAL/ RECORD OWNER	TITLE OF CLASS	AMOUNT AND NATURE OF OWNERSHIP
Cede & Co.** Depository Trust Company 55 Water Street, 25th Floor New York, NY 10041	Common Stock	FFC - 42,519,693 (record) FLC - 9,761,947 (record)
	AMPS	FFC - Series M7 - 3,200 (record) Series T7 - 3,200 (record) Series W7 - 3,200 (record) Series Th7 - 3,200 (record) Series F7 - 3,200 (record) Series T28 - 2,840 (record) Series W28 - 2,840 (record) FLC - Series T7 - 2,570 (record) Series W28 - 2,570 (record)

This Joint Proxy Statement is being used in order to reduce the preparation, printing, handling and postage expenses that would result from the use of a separate proxy statement for each Fund. Shareholders of each Fund will vote as a single class except as described under Proposal 1 and will vote separately for each of FFC and FLC on each proposal on which shareholders of that Fund are entitled to vote. Separate proxy cards are enclosed for each Fund in which a shareholder is a record owner of Shares. Thus, if a proposal is approved by shareholders of one Fund and not approved by shareholders of the other Fund, the proposal will be implemented for the Fund that approved the proposal and will not be implemented for the Fund that did not approve the proposal. It is therefore essential that shareholders complete, date and sign EACH enclosed proxy card. SHAREHOLDERS OF EACH FUND ARE ENTITLED TO VOTE ON THE PROPOSALS PERTAINING TO THAT FUND.

In order that your Shares may be represented at the Meetings, you are requested to vote on the following matters:

SUMMARY OF VOTING RIGHTS ON PROXY PROPOSALS

PREFERRED SECURITIES FUND (FFC)

PROPOSAL	COMMON STOCK SHAREHOLDERS	AMPS SHAREHOLDERS
1. Election of Directors	Common Stock Shareholders as a single class elect one Director: Robert F. Wulf	AMPS Shareholders as a single class elect one Director: Donald F. Crumrine
2. Other Business	Common Stock and AMPS Shareholders, voting together as a single class	

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SUMMARY OF VOTING RIGHTS ON PROXY PROPOSALS

TOTAL RETURN FUND (FLC)

PROPOSAL	COMMON STOCK SHAREHOLDERS	AMPS SHAREHOLDERS
1. Election of Directors	Common Stock Shareholders as a single class elect one Director: Robert F. Wulf	AMPS Shareholders as a class elect one Director: Donald F. Crumrine
2. Other Business	Common Stock and AMPS Shareholders, voting together as a single class	

PROPOSAL 1: ELECTION OF DIRECTORS

At the Meetings, shareholders are being asked to consider the election of Directors of each Fund. The Board of each Fund is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three-year term and until their successors are duly elected and qualified.

NOMINEES FOR THE BOARD OF DIRECTORS

Each nominee named below has consented to serve as a Director if elected at the relevant Meeting. If a designated nominee declines or otherwise becomes unavailable for election, however, the proxy confers discretionary power on the persons named therein to vote in favor of a substitute nominee or nominees.

Mr. Crumrine and Mr. Wulf, each a Class III Director of FFC and FLC, have each been nominated for a three-year term to expire at each Fund's 2010 Annual Meeting of Shareholders and until their successors are duly elected and qualified.

Under each Fund's Articles of Incorporation, Articles Supplementary and the Investment Company Act of 1940, as amended (the "1940 Act"), holders of AMPS, voting as a single class, are entitled to elect two Directors, and holders of the Common Stock are entitled to elect the remaining Directors. However, subject to the provisions of the 1940 Act and each Fund's Articles of Incorporation, the holders of AMPS, when dividends are in arrears for two full years, are able to elect the minimum number of additional Directors that, when combined with the two Directors elected by the holders of AMPS, would give the holders of AMPS a majority of the Directors. David Gale and Karen H. Hogan, as Directors, currently represent holders of AMPS of each Fund. Donald F. Crumrine, as a Director of each Fund, has been nominated by each Fund's Board as a

Director to represent each Fund's holders of AMPS (to replace Mr. Gale). A quorum of the AMPS shareholders must be present at the Meeting of each Fund in order for the proposal to elect Mr. Crumrine to be considered.

FUND (CLASS)	NOMINEE(S) FOR DIRECTOR
FFC (Common Stock)	Wulf
FFC (AMPS)	Crumrine
FLC (Common Stock)	Wulf
FLC (AMPS)	Crumrine

INFORMATION ABOUT DIRECTORS AND OFFICERS

Set forth in the table below are the existing Directors and nominees for election to the Boards of Directors of the Funds, including information relating to their respective positions held with each Fund, a brief statement of their principal occupations during the past five years and other directorships, if any.

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NAME, ADDRESS, AND AGE	CURRENT POSITION(S) HELD WITH FUNDS	TERM OF OFFICE AND LENGTH OF TIME SERVED*	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS	NUMBER FUNDS FUND COM OVERSEE BY DIREC
NON-INTERESTED DIRECTORS:				
DAVID GALE (1) Delta Dividend Group, Inc. 220 Montgomery Street, Suite 426 San Francisco, CA 94104 Age: 57	Director	Class I Director FFC - since inception FLC - since inception	President and CEO of Delta Dividend Group, Inc. (investments)	
MORGAN GUST 301 E. Colorado Boulevard Suite 720 Pasadena, CA 91101 Age: 59	Director	Class II Director FFC - since inception FLC - since inception	Since March 2002, President of Giant Industries, Inc. (petroleum refining and marketing) since March 2002 and, for more than five years prior thereto, Executive Vice President, and various other Vice President positions at Giant Industries, Inc.	

KAREN H. HOGAN (1) 301 E. Colorado Boulevard Suite 720 Pasadena, CA 91101 Age: 45	Director	Class II Director FFC - Since 2005 FLC - Since 2005	Retired; Community Volunteer; From Sept 1985 to Jan 1997, Senior Vice President of Preferred Stock Origination at Lehman Brothers and, previously Vice President of New Product Development
ROBERT F. WULF P.O. Box 753 Neskowin, OR 97149 Age: 69	Director	Class III Director FFC - since inception FLC - since inception	Financial Consultant; Trustee, University of Oregon Foundation; Trustee, San Francisco Theological Seminary
INTERESTED DIRECTOR:			
DONALD F. CRUMRINE (2), (3) 301 E. Colorado Boulevard Suite 720 Pasadena, CA 91101 Age: 59	Director, Chairman of the Board and Chief Executive Officer	Class III Director FFC - since inception FLC - since inception	Chairman of the Board and Director of Flaherty & Crumrine Incorporated

NAME, ADDRESS, AND AGE	CURRENT POSITION(S) HELD WITH FUNDS	TERM OF OFFICE AND LENGTH OF TIME SERVED*	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS	NUM FU FUND OVE BY D
OFFICERS:				
ROBERT M. ETTINGER 301 E. Colorado Boulevard Suite 720 Pasadena, CA 91101 Age: 48	President	FFC - since inception FLC - since inception	President and Director of Flaherty & Crumrine Incorporated	
R. ERIC CHADWICK 301 E. Colorado Boulevard Suite 720 Pasadena, CA 91101 Age: 31	Chief Financial Officer, Vice President and Treasurer	FFC - since inception FFC - since inception	Director of Flaherty & Crumrine Incorporated since June 2006; Vice President of Flaherty & Crumrine Incorporated since August 2001; and previously (since	

			January 1999) portfolio manager of Flaherty & Crumrine Incorporated
CHAD C. CONWELL 301 E. Colorado Boulevard Suite 720 Pasadena, CA 91101 Age: 34	Chief Compliance Officer, Vice President and Secretary	FFC - since 2005 FLC - since 2005	Chief Compliance Officer of Flaherty & Crumrine Incorporated since September 2005, Vice President of Flaherty & Crumrine Incorporated since July 2005; from September 1998 to June 2005, Attorney with Paul, Hastings, Janofsky & Walker LLP
BRADFORD S. STONE 392 Springfield Avenue Mezzanine Suite Summit, NJ 07901 Age: 47	Vice President and Assistant Treasurer	FFC - since 2003 FLC - since inception	Director of Flaherty & Crumrine Incorporated since June 2006; Vice President of Flaherty & Crumrine Incorporated since May 2003; from June 2001 to April 2003, Director of USMarket Strategy at Barclays Capital

NAME, ADDRESS, AND AGE	CURRENT POSITION(S) HELD WITH FUNDS	TERM OF OFFICE AND LENGTH OF TIME SERVED*	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS	NUM FU FUND OVE BY D
OFFICERS:				
NICHOLAS DALMASO 2455 Corporate West Drive Lisle, IL 60532 Age: 42	Vice President and Assistant Secretary	FFC - since inception FLC - since inception	Director of Claymore Group, LLC since January 2002; Senior Managing Director and General Counsel of Claymore Securities, Inc. since November 2001 and Claymore Advisers, LLC since October 2003; Partner of DBN Group, LLC since April 2001; Assistant General Counsel of Nuveen Investments from July 1999 through November 2001.	
CHRISTOPHER D. RYAN	Vice President	FFC - since 2005	Vice President of	

301 E. Colorado Boulevard Suite 720 Pasadena, CA 91101 Age: 39		FLC - since 2005	Flaherty & Crumrine Incorporated since February 2004; from October 2002 to February 2004, Product Analyst of Flaherty & Crumrine Incorporated; from 1999 through 2002, graduate student
LAURIE C. LODOLO 301 E. Colorado Boulevard Suite 720 Pasadena, CA 91101 Age: 43	Assistant Compliance Officer, Assistant Treasurer and Assistant Secretary	FFC - since 2004 FLC - since 2004	Assistant Compliance Officer of Flaherty & Crumrine Incorporated since August 2004; since February 2004, Secretary of Flaherty & Crumrine Incorporated; since January 1987 Account Administrator of Flaherty & Crumrine Incorporated

BENEFICIAL OWNERSHIP OF SHARES IN FUNDS AND FUND COMPLEX FOR EACH DIRECTOR AND NOMINEE FOR ELECTION AS DIRECTOR

Set forth in the table below is the dollar range of equity securities in each Fund and the aggregate dollar range of equity securities in the Flaherty & Crumrine Fund Family beneficially owned by each Director.

NAME OF DIRECTOR	DOLLAR RANGE OF EQUITY SECURITIES HELD IN FUND* (1)(2)		AGGREGA SECURITIES COMPANIE FAMILY O
	FFC	FLC	
NON-INTERESTED DIRECTORS:			
David Gale	C	C	
Morgan Gust	C	C	
Karen H. Hogan	A	A	
Robert F. Wulf	C	C	
INTERESTED DIRECTORS:			
Donald F. Crumrine	E(4)	E(4)	

Each Director of each Fund who is not a director, officer or employee of Flaherty & Crumrine Incorporated or any of their affiliates receives for each Fund a fee of $9,000 per annum plus $500 for each in-person meeting attended,

and $150 for each telephone meeting attended. In addition, the Audit Committee Chairman receives an annual fee per Fund of $2,500. Each Director of each Fund is reimbursed for travel and out-of-pocket expenses associated with attending Board and committee meetings. The Board of Directors of FFC held seven meetings (three of which were held by telephone conference call) and the Board of Directors of FLC held seven meetings (three of which were held by telephone conference call) during the fiscal year ended November 30, 2006, and each Director of each Fund then serving in such capacity attended at least 75% of the meetings of Directors and of any Committee of which he is a member. The aggregate remuneration paid to the Directors of each Fund for the fiscal year ended November 30, 2006 is set forth below:

	ANNUAL DIRECTORS FEES	BOARD MEETING AND COMMITTEE MEETING FEES	TRAVEL AND OUT-OF-POCKET EXPENSES*
FFC	$36,000	$25,800	$4,814
FLC	$36,000	$25,800	$4,656

* Includes reimbursement for travel and out-of-pocket expenses for both "interested" and "non-interested" Directors ("Independent Directors").

AUDIT COMMITTEE REPORT

The role of each Fund's Audit Committee is to assist the Board of Directors in its oversight of (i) the integrity of each Fund's financial statements and the independent audit thereof; (ii) each Fund's accounting and financial reporting policies and practices, its internal controls and, as appropriate, the internal controls of certain service providers; (iii) each Fund's compliance with legal and regulatory requirements; and (iv) the independent auditor's qualifications, independence and performance. In addition, pursuant to each Fund's

Audit Committee Charter, each Fund's Audit Committee is also required to prepare an audit committee report pursuant to the rules of the SEC for inclusion in each Fund's annual proxy statement. Each Audit Committee operates pursuant to a Charter that was most recently reviewed and approved by the Board of Directors of each Fund on January 23, 2007 and which is available on the Funds' website (www.fcclaymore.com). As set forth in the Charter, management is responsible for (i) the preparation, presentation and integrity of each Fund's financial statements, (ii) the maintenance of appropriate accounting and financial reporting principles and policies, and (iii) the maintenance of internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The Funds' independent registered public accounting firm ("independent accountants") is responsible for planning and carrying out proper audits and reviews of each Fund's financial statements and expressing an opinion as to their conformity with accounting principles generally accepted in the United States of America.

In performing its oversight function, at a meeting held on January 22, 2007, the Audit Committee reviewed and discussed with management of each Fund and the independent accountants, KPMG LLP ("KPMG"), the audited financial statements of each Fund as of and for the fiscal year ended November 30, 2006, and discussed the audit of such financial statements with the independent accountants.

In addition, the Audit Committee discussed with the independent accountants the accounting principles applied by each Fund and such other matters brought to the attention of the Audit Committee by the independent accountants required by Statement of Auditing Standards No. 61, COMMUNICATIONS WITH AUDIT COMMITTEES, as currently modified or supplemented. The Audit Committee also received from the independent accountants the written disclosures and statements required by the SEC's independence rules, delineating relationships between the independent accountants and each Fund and discussed the impact that any such relationships might have on the objectivity and independence of the independent accountants.

As set forth above, and as more fully set forth in each Fund's Audit Committee Charter, the Audit Committee has significant duties and powers in its oversight role with respect to the Fund's financial reporting procedures, internal controls systems, and the independent audit process.

The members of the Audit Committee are not, and do not represent themselves to be, professionally engaged in the practice of auditing or accounting and are not employed by each Fund for accounting, financial management or internal control. Moreover, the Audit Committee relies on and makes no independent verification of the facts presented to it or representations made by management or the independent accountants. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles and policies, or internal controls and procedures, designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not provide assurance that the audit of each Fund's financial statements has been carried out in accordance with generally accepted accounting standards or that the financial statements are presented in accordance with generally accepted accounting principles.

Based on its consideration of the audited financial statements and the discussions referred to above with management and the independent accountants and subject to the limitations on the responsibilities and role of the Audit Committee set forth in the Charter and those discussed above, the Audit Committee of each Fund recommended to the Board of Directors of each Fund that the audited financial statements be included in each Fund's Annual Report for the fiscal year ended November 30, 2006.

THIS REPORT WAS SUBMITTED BY THE AUDIT COMMITTEE OF EACH FUND'S BOARD OF DIRECTORS

David Gale
Morgan Gust
Karen H. Hogan
Robert F. Wulf (Chairman)

January 22, 2007

Each Audit Committee was established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "1934 Act"). Each Audit Committee met four times in connection with its Board of Directors regularly scheduled meetings during the fiscal year ended November 30, 2006. Each Audit Committee is composed entirely of each Fund's independent (as such term is defined by the New York Stock Exchange, Inc.'s listing standards applicable to closed-end funds, as may be modified or supplemented (the "NYSE Listing Standards")) Directors, namely Ms. Hogan and Messrs. Gale, Gust and Wulf.

NOMINATING COMMITTEE

Each Board of Directors has a Nominating Committee composed entirely of each Fund's independent (as such term is defined by the NYSE Listing Standards) Directors, namely Ms. Hogan and Messrs. Gale, Gust and Wulf. The Nominating Committee of each Fund met twice during the fiscal year ended November 30, 2006. The Nominating Committee is responsible for identifying individuals believed to be qualified to become Board members and recommending to the Board of Directors such nominees to stand for election as directors at each Fund's annual meeting of shareholders and to fill any vacancies on the Board. Each Fund's Nominating Committee has a charter which is available on the Funds' website (www.fcclaymore.com).

Each Fund's Nominating Committee believes that it is in the best interest of the Fund and its shareholders to obtain highly qualified candidates to serve as members of the Board of Directors. The Nominating Committees have not established a formal process for identifying candidates where a vacancy exists on the Board. In nominating candidates, the Nominating Committee shall take into consideration such factors as it deems appropriate. These factors may include judgment, skill, diversity, experience with investment companies and other organizations of comparable purpose, complexity, size and subject to similar legal restrictions and oversight, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees thereof.

Each Fund's Nominating Committee will consider director candidates recommended by shareholders and submitted in accordance with applicable law and procedures as described in this Joint Proxy Statement (see "Submission of Shareholder Proposals" below).

OTHER BOARD-RELATED MATTERS

Shareholders who wish to send communications to the Board should send them to the address of the Fund and to the attention of the Board. All such communications will be directed to the Board's attention.

The Funds do not have a formal policy regarding Board member attendance at the Annual Meeting of Shareholders. However, all of the Directors attended the April 21, 2006 Annual Meetings of Shareholders.

COMPENSATION

The following table sets forth certain information regarding the compensation of each Fund's Directors for the fiscal year ended November 30, 2006. No executive officer or person affiliated with a Fund received compensation from a Fund during the fiscal year ended November 30, 2006 in excess of $120,000. Directors and executive officers of the Funds do not receive pension or retirement benefits from the Funds.

COMPENSATION TABLE

NAME OF PERSON AND POSITION	AGGREGATE COMPENSATION FROM EACH FUND	TOTAL THE COMPLEX
DONALD F. CRUMRINE Director, Chairman of the Board	$0	

and Chief Executive Officer

DAVID GALE Director	$14,900 - FFC $14,900 - FLC
MORGAN GUST Director	$14,600 - FFC $14,600 - FLC
KAREN H. HOGAN Director	$14,750 - FFC $14,750 - FLC
ROBERT F. WULF Director	$17,550 - FFC $17,550 - FLC

REQUIRED VOTE

The election of Mr. Wulf as a Director of each Fund will require the affirmative vote of a plurality of the votes cast by holders of the shares of Common Stock of each Fund at the Meeting in person or by proxy. The election of Mr. Crumrine as a Director of each Fund will require the affirmative vote of a plurality of the votes cast by holders of the shares of AMPS of each Fund at the Meeting in person or by proxy.

EACH BOARD OF DIRECTORS, INCLUDING ALL OF THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE "FOR" EACH NOMINEE AS DIRECTOR.

SUBMISSION OF SHAREHOLDER PROPOSALS

All proposals by shareholders of each Fund that are intended to be presented at each Fund's next Annual Meeting of Shareholders to be held in 2008 must be received by the relevant Fund for consideration for inclusion in the relevant Fund's proxy statement relating to the meeting no later than October 19, 2007 and must satisfy the other requirements of federal securities laws.

Each Fund's Bylaws require shareholders wishing to nominate Directors or make proposals to be voted on at the Fund's annual meeting to provide timely notice of the proposal in writing. To be considered timely, any such notice must be delivered to or mailed and received at the principal executive offices of the Fund at the address set forth on the first page of this proxy statement not later than 60 days prior to the date of the meeting; provided, however, that if less than 70 days' notice, or prior public disclosure of the date of the meeting is given or made to shareholders, any such notice by a shareholder to be timely must be so received not later than the close of business on the 10th day following the day on which notice of the date of the annual meeting was given or such public disclosure was made.

Any such notice by a shareholder shall set forth the information required by the Fund's Bylaws with respect to each matter the shareholder proposes to bring before the annual meeting.

ADDITIONAL INFORMATION

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG, 99 High Street, Boston, Massachusetts 02110-2371, has been

selected to serve as each Fund's independent accountants for each Fund's fiscal year ending November 30, 2007. KPMG acted as the independent accountants for each Fund for the fiscal year ended November 30, 2006. The Funds know of no direct financial or material indirect financial interest of KPMG in the Funds. A representative of KPMG will not be present at the Meeting, but will be available by telephone to respond to appropriate questions and will have an opportunity to make a statement, if asked.

Set forth in the table below are audit fees and non-audit related fees billed to each Fund by KPMG for professional services received for each Fund's fiscal years ended November 30, 2005 and 2006, respectively.

FUND	FISCAL YEAR ENDED NOVEMBER 30	AUDIT FEES	AUDIT-RELATED FEES	TAX FEES*
FFC	2005	$38,500	$0	$6,400
	2006	$40,800	$0	$7,700
FLC	2005	$38,500	$0	$6,400
	2006	$40,800	$0	$7,700

Each Fund's Audit Committee Charter requires that the Audit Committee pre-approve all audit and non-audit services to be provided by the independent accountants to the Fund, and all non-audit services to be provided by the independent accountants to the Fund's investment adviser and any entity controlling, controlled by or under common control with the Funds' investment adviser that provide on-going services to each Fund ("affiliates"), if the engagement relates directly to the operations and financial reporting of each Fund, or to establish detailed pre-approval policies and procedures for such services in accordance with applicable laws. All of the audit, audit-related and tax services for which KPMG billed each Fund fees for each Fund's fiscal period ended November 30, 2006 and fiscal year ended November 30, 2005 were pre-approved by the Audit Committee.

For each Fund's fiscal year ended November 30, 2006, KPMG did not provide any non-audit services (or bill any fees for such services) to the Funds' investment adviser or any affiliates thereof that provide services to the Funds.

INVESTMENT ADVISER, ADMINISTRATOR AND SERVICING AGENT

Flaherty & Crumrine serves as the investment adviser to each Fund, and its business address is 301 E. Colorado Boulevard, Suite 720, Pasadena, California 91101. PFPC Inc. acts as the administrator to each Fund and is located at 4400 Computer Drive, Westborough, Massachusetts 01581. Claymore Securities, Inc. acts as the servicing agent to each Fund and is located at 2455 Corporate West Drive, Lisle, Illinois 60532.

COMPLIANCE WITH THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the 1934 Act and Section 30(h) of the 1940 Act require each Fund's directors and officers, certain persons affiliated with Flaherty & Crumrine and persons who beneficially own more than 10% of a registered class of each Fund's securities, to file reports of ownership and changes of ownership

with the SEC, the NYSE and each Fund. Directors, officers and greater-than-10% shareholders are required by SEC regulations to furnish each Fund with copies of such forms they file. Based solely upon its review of the copies of such forms received by it and written representations from certain of such persons, each Fund believes that during 2006, all such filing requirements applicable to such persons were met.

BROKER NON-VOTES AND ABSTENTIONS

A proxy which is properly executed and returned accompanied by instructions to withhold authority to vote represents a broker "non-vote" (i.e., shares held by brokers or nominees as to which (i) instructions have not been received from the beneficial owners or the persons entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter). Proxies that reflect abstentions or broker non-votes (collectively, "abstentions") will be counted as shares that are present and entitled to vote at the meeting for purposes of determining the presence of a quorum. With respect to Proposal 1, abstentions do not constitute a vote "for" or "against" the proposal and will be disregarded in determining the "votes cast" on the proposal.

OTHER MATTERS TO COME BEFORE THE MEETING

Each Fund does not intend to present any other business at the relevant Meeting, nor is either Fund aware that any shareholder intends to do so. If, however, any other matters are properly brought before the Meeting, the persons named in the accompanying form of proxy will vote thereon in accordance with their judgment.

IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. SHAREHOLDERS WHO DO NOT EXPECT TO ATTEND THE MEETINGS ARE THEREFORE URGED TO COMPLETE, SIGN, DATE AND RETURN ALL PROXY CARDS AS SOON AS POSSIBLE IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

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THIS PAGE LEFT BLANK INTENTIONALLY.

PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. .

FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND INCORPORATED

PROXY -- FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND INCORPORATED

PROXY SOLICITED BY THE BOARD OF DIRECTORS

The undersigned holder of shares of Common Stock of Flaherty & Crumrine/Claymore Total Return Fund Incorporated, a Maryland corporation (the "Fund"), hereby appoints Robert M. Ettinger, Teresa M.R. Hamlin and Aaron Remorenko, attorneys and proxies for the undersigned, each with full powers of substitution and revocation to represent the undersigned and to vote on behalf of the undersigned all shares of Common Stock which the undersigned is entitled to vote at the Annual Meeting of Shareholders of the Fund to be held at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, Conference Room 45A, New York, New York 10019 at 8:30 a.m. ET, on April 20, 2007, and any adjournments or postponements thereof. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting and Proxy Statement and hereby instructs said attorneys and proxies to vote said shares as indicated hereon. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Meeting. A majority of the proxies present and acting at the Meeting in person or by substitute (or, if only one shall be so present, then that one) shall have and may exercise all of the power and authority of said proxies hereunder. The undersigned hereby revokes any proxy previously given.

SEE REVERSE SIDE	CONTINUED AND TO BE SIGNED ON REVERSE SIDE	SEE REVERSE SIDE

FLAHERTY & CRUMRINE/CLAYMORE
TOTAL RETURN FUND INCORPORATED

Using a BLACK INK pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas.

ANNUAL MEETING PROXY CARD

PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. .

A PROPOSALS -- THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE NOMINEE LISTED. PLEASE REFER TO THE PROXY STATEMENT FOR A DISCUSSION OF THE PROPOSAL.

1. Election of Director: FOR WITHHELD

01 - Robert F. Wulf

THIS PROXY, IF PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEE AS DIRECTOR.

B NON-VOTING ITEMS
CHANGE OF ADDRESS -- Please print new address below.

C AUTHORIZED SIGNATURES -- THIS SECTION MUST BE COMPLETED FOR YOUR VOTE TO BE COUNTED. -- DATE AND SIGN BELOW.

Please sign exactly as your name appears on this Proxy. If joint owners, EITHER

may sign this Proxy. When signing as attorney, executor, administrator, trustee, guardian or corporate officer, please give your full title.

Date (mm/dd/yyyy) -- Please print date below.

_____

Signature 1 -- Please keep signature within the box.

_____

Signature 2 -- Please keep signature within the box.

_____

C1234567890 JNT
10AV

COY###1

PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND INCORPORATED

PROXY -- FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND INCORPORATED

PROXY SOLICITED BY THE BOARD OF DIRECTORS

The undersigned holder of shares of Auction Market Preferred Stock ("AMPS") of Flaherty & Crumrine/Claymore Total Return Fund Incorporated, a Maryland corporation (the "Fund"), hereby appoints Robert M. Ettinger, Teresa M.R. Hamlin and Aaron Remorenko, attorneys and proxies for the undersigned, each with full powers of substitution and revocation to represent the undersigned and to vote on behalf of the undersigned all shares of AMPS which the undersigned is entitled to vote at the Annual Meeting of Shareholders of the Fund to be held at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, Conference Room 45A, New York, New York 10019 at 8:30 a.m. ET, on April 20, 2007, and any adjournments or postponements thereof. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting and Proxy Statement and hereby instructs said attorneys and proxies to vote said shares as indicated hereon. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Meeting. A majority of the proxies present and acting at the Meeting in person or by substitute (or, if only one shall be so present, then that one) shall have and may exercise all of the power and authority of said proxies hereunder. The undersigned hereby revokes any proxy previously given.

SEE REVERSE SIDE CONTINUED AND TO BE SIGNED ON REVERSE SIDE SEE REVERSE SIDE

FLAHERTY & CRUMRINE/CLAYMORE
TOTAL RETURN FUND INCORPORATED

Using a BLACK INK pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas.

ANNUAL MEETING PROXY CARD

PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A PROPOSALS -- THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE NOMINEE LISTED. PLEASE REFER TO THE PROXY STATEMENT FOR A DISCUSSION OF THE PROPOSAL.

1. Election of Director: FOR WITHHELD

01 - Donald F. Crumrine

THIS PROXY, IF PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEE AS DIRECTOR.

B NON-VOTING ITEMS
CHANGE OF ADDRESS -- Please print new address below.

_____

C AUTHORIZED SIGNATURES -- THIS SECTION MUST BE COMPLETED FOR YOUR VOTE TO BE COUNTED. -- DATE AND SIGN BELOW.

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) -- Please print date below.

_____

Signature 1 -- Please keep signature within the box.

_____

Signature 2 -- Please keep signature within the box.

_____

C1234567890 JNT
10AV

COY###1