

UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION  
Washington, D.C. 20549

Schedule 13G

Under the Securities Exchange Act of 1934  
(Amendment No. 3)\*

CD RADIO INC.  
(Name of Issuer)

Common Stock  
(Title of Class of Securities)

125127100  
(CUSIP Number)

Year End (12/31/98) 13G STATEMENT  
(Date of Event which Requires Filing of this Statement)

\*The remainder of this cover page shall be filled out for  
a reporting person's initial filing on this form with respect  
to the subject class of securities, and for any subsequent  
amendment containing information which would alter the  
disclosures provided in a prior cover page.

The information required in the remainder of this cover page  
shall not be deemed to be "filed" for the purpose of Section 18  
of the Securities Exchange Act of 1934 ("Act") or otherwise  
subject to the liabilities of that section of the Act but shall be  
subject to all other provisions of the Act (however, see the  
Notes).

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CUSIP No. 125127100 13G

1 NAMES OF REPORTING PERSONS I.R.S.  
IDENTIFICATION NOS. OF ABOVE PERSONS  
(Entities Only)  
MacKay-Shields Financial Corporation 13-2631681

2 CHECK THE APPROPRIATE BOX IF A MEMBER  
OF A GROUP  
(a)  
(b)  
Not Applicable

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
  
Delaware (United States)

NUMBER OF 5 SOLE VOTING POWER  
SHARES Not Applicable

BENEFICIALLY 6 SHARED VOTING POWER  
OWNED BY Not Applicable

EACH 7 SOLE DISPOSITIVE POWER  
REPORTING Not Applicable

PERSON 8 SHARED DISPOSITIVE POWER  
WITH Not Applicable

9 AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
Not Applicable

10 CHECK IF THE AGGREGATE AMOUNT IN  
ROW (11) EXCLUDES CERTAIN SHARES  
Not Applicable

11 PERCENT OF CLASS REPRESENTED BY AMOUNT  
IN ROW 11  
0%

IA

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SCHEDULE 13G cont.

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Under the Securities Exchange Act of 1934

ITEM 1 (a) Name of Issuer:

CD RADIO INC.

(b) Address of Issuer's Principal Executive Offices:

1180 AVENUE OF THE AMERICAS

14TH FLOOR

NEW YORK, NY 10036

ITEM 2 (a) Name of Person Filing:

MacKay-Shields Financial Corporation

(b) Address of Principal Business Office:

9 West 57th Street

New York, NY 10019

(c) Citizenship:

United States

(d) Title of Class of Securities:

Common Stock

(e) CUSIP Number:

125127100

ITEM 3. If this statement is filed pursuant to Sections 240.

13d-1(b), or 240.13d-2(b) or (c), check whether

the person filing is a:

(a)  Broker or dealer registered under Section 15  
of the Act (15 U.S.C. 78o);

(b)  Bank as defined in section 3(a)(6) of the Act  
(15 U.S.C. 78c);

(c)  Insurance Company as defined in section 3(a)(19)  
of the Act (15 U.S.C. 78C);

(d)  Investment company registered under Section 8  
of the Investment Company Act of 1940

(15 U.S.C. 80a-8);

(e)  An investment adviser in accordance with Section  
240.13d-1(b)(1)(ii)(E);

(f)  An employee benefit plan or endowment fund  
in accordance with Section 240.13d-1(b)(1)(ii)(F);

(g)  A parent holding company or control person  
in accordance with Section 240.13d-1(b)(1)(ii)(G);

(h)  A savings associations as defined in Section 3(b)  
of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(i)  A church plan that is excluded from the  
definition of an insurance company under

Section 3 (c)(14) of the Investment Company  
Act of 1940 (15 U.S.C. 80a-3);

(j)  Group, in accordance with section 240.13d-1  
(b)(1)(ii)(J).

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SCHEDULE 13G cont.

ITEM 4. Ownership.

Provide the following information regarding  
the aggregate number and percentage of the  
class of securities of the issuer identified in  
Item 1.

(a) Amount Beneficially Owned:

0

(b) Percent of Class:

0%

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote

Not Applicable

(ii) shared power to vote or to direct vote

Not Applicable

(iii) sole power to dispose or to direct the disposition of

Not Applicable

(iv) shared power to dispose or to direct the disposition of

Not Applicable

ITEM 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [x].

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SCHEDULE 13G cont.

ITEM 6. Ownership of More than Five Percent on Behalf of Another Person

If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five percent of the class, such person should be identified. A listing of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

Not Applicable

ITEM 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.

If a parent holding company has filed this schedule, pursuant to Rule 13d-1(b)(ii)(G), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary. If a parent holding company has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identification of the relevant subsidiary.

Not Applicable

ITEM 8. Identification and Classification of Members of the Group.

If a group has filed this schedule pursuant to Section 240.13d-1(b)(1)(ii)(J), so indicate under Item 3(j) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to Section 240.13d-1(c) or Section 240.13d-1(d), attach an exhibit stating the identity of each member of the group.

Not Applicable

SCHEDULE 13G cont.

ITEM 9. Notice of Dissolution of Group

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group, in their individual capacity. See Item 5.

Not Applicable

ITEM 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of such securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose of effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 8, 1999

Signature: /s/ Robert A. Nisi

Name/Title: Robert A. Nisi, Chief Compliance Officer