

**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).

Page 1 of 6 Pages

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 MEMEBER
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%

12 TYPE OF REPORTING PERSON

IA

Page 2 of 6 Pages

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 ^{Powered by EDGAR} PARKWAY THE ^{AMERICAS} AMERICASAR Online, Inc.
14TH FLOOR
NEW YORK, NY 10036

ITEM 2 (a) Name of Person Filing:
MacKay-Shields Financial Corporation

End of Filing