September 10, 1997

EDGAR

Securities and Exchange Commission

Washington, DC 20549

Gentlemen:

Enclosed on behalf of MacKay-Shields Financial Corporation is an amended Schedule 13G filing pursuant to Rule 13d-1(b)(2) setting forth information with respect to the following security:

CD Radio Inc., Common Stock

Would you please acknowledge receipt of the enclosed document by affirmation number.

Very truly yours,

MACKAY-SHIELDS FINANCIAL CORPORATION

By: /s/ Jeffry B. Platt
General Counsel

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Schedule 13G

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

CD Radio Inc.

(Name of issuer)

Common Stock
(Title of Class of Securities)

125127100
(CUSIP Number)

Check the following box if a fee is being paid with this statement []. (A fee is not required only if the filing person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7.)

*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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(Continued on following page(s))

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

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 SHARES 5 SOLE VOTING POWER
Not Applicable

BENEFICIALLY OWNED BY 6 SHARED VOTING POWER
1,196,688 (See note at Item 4 below)

EACH REPORTING 7 SOLE DISPOSITIVE POWER
Not Applicable

PERSON WITH 8 SHARED DISPOSITIVE POWER
1,196,688 (See note at Item 4 below)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,196,688 (See note at Item 4 below)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*
Not Applicable

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
8.7% (See note at Item 4 below)

12 TYPE OF REPORTING PERSON*
IA

SCHEDULE 13G

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Under the Securities Exchange Act of 1934

ITEM 1 (a) Name of Issuer:
CD Radio Inc.

ITEM 1 (b) Address of Issuer's Principal Executive Offices:
1001 22nd Street, N.W.
Washington, DC 20037

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

ITEM 2 (b) Address of Principal Business Office:
9 West 57th Street
New York, NY 10019

ITEM 2 (c) Citizenship:
United States

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ITEM 2 (d) Title of Class of Securities:
Common Stock

ITEM 2 (e) CUSIP Number:

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End of Filing

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