

Schedule 13G

Under the Securities Exchange Act of 1934  
(Amendment No. 1)\*

HARRAH'S ENTERTAINMENT INC.  
(Name of Issuer)

Common Stock  
(Title of Class of Securities)

413619107  
(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. 413619107 13G

1 NAMES OF REPORTING PERSONS I.R.S.  
IDENTIFICATION NOS. OF ABOVE PERSONS  
(Entities Only)

MacKay-Shields Financial Corporation ("MSFC") 13-2631681  
MSFC is also filing on behalf of its parent,  
New York Life Insurance Company ("NYLIC")

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 As To MSFC  
As To NYLIC 2,930

BENEFICIALLY 6 SHARED VOTING POWER  
OWNED BY 7,087,500 As To MSFC  
Not Applicable As To NYLIC

EACH 7 SOLE DISPOSITIVE POWER  
REPORTING Not Applicable As To MSFC  
2,930 As To NYLIC

PERSON 8 SHARED DISPOSITIVE POWER  
WITH 7,087,500 As To MSFC  
(See note at Item 4a below)  
Not Applicable As To NYLIC

9 AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
Total 7,090, 430 (See note at Item 4a below)  
Applicable As to MSFC 7,087,500  
Applicable As to NYLIC 2,930

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

11 PERCENT OF CLASS REPRESENTED BY AMOUNT  
IN ROW 11  
7.0% (See Item 4a on page 4)

12 TYPE OF REPORTING PERSON  
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:  
HARRAH'S ENTERTAINMENT INC.  
(b) Address of Issuer's Principal Executive Offices:  
1023 Cherry Road  
Memphis, TN 38117

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:  
413619107

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)  [x] 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:  
Aggregate 7,090,430 consisting of (i) 7,087,500  
Shares of common stock Re MSFC and (ii) 2,930 shares  
of common stock re NYLIC

(b) Percent of Class:  
7.0%

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

(i) sole power to vote or to direct the vote  
Not Applicable As To MSFC,  
2,930 As To NYLIC

(ii) shared power to vote or to direct vote  
7,087,500 As TO MSFC  
Not Applicable As To NYLIC

(iii) sole power to dispose or to direct the  
disposition of  
Not Applicable As To MSFC,  
2,930 As To NYLIC

(iv) shared power to dispose or to direct the  
disposition of  
7,087,500 As TO MSFC  
Not Applicable As To NYLIC

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 [ ].

Not Applicable

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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.

Clients of the filing investment manager and NYLIC have the  
right to receive and the ultimate power to direct the receipt of  
dividends from, or the proceeds of the sale of, such  
securities. No interest of any such client relates to  
more than 5% of the class. NYLIC has the power to direct  
dividends or proceeds for its subsidiaries.

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

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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

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