

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G

(Rule 13d-102)

INFORMATION STATEMENT PURSUANT TO RULES 13d-1 AND 13d-2

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

Continental Airlines, Inc.

-----  
(Name of Issuer)  
Common Stock

-----  
(Title of Class of Securities)

210795308

-----  
(CUSIP Number)

Check the following box if a fee is being paid with 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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- 1. NAME OF REPORTING PERSON(S)  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON(S)

Morgan Stanley Dean Witter & Co.  
IRS # 39-314-5972

- 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) [ ]  
(b) [ ]

- 3. SEC USE ONLY

-----  
4. CITIZENSHIP OR PLACE OF ORGANIZATION

The state of organization is Delaware.

-----  
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5.	SOLE VOTING POWER
	0
6.	SHARED VOTING POWER
	7,594,976
7.	SOLE DISPOSITIVE POWER
	0
8.	SHARED DISPOSITIVE POWER
	9,587,542

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9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9,587,542

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

19.57%

12. TYPE OF REPORTING PERSON\*

IA, CO

-----  
\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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

Morgan Stanley Asset Management Inc.  
IRS # 13-304-0307

-----  
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) [ ]  
(b) [ ]

-----  
3. SEC USE ONLY

-----  
4. CITIZENSHIP OR PLACE OF ORGANIZATION

The state of organization is Delaware.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5. SOLE VOTING POWER 0
	-----
	6. SHARED VOTING POWER 6,875,800
	-----
	7. SOLE DISPOSITIVE POWER 0
	-----
	8. SHARED DISPOSITIVE POWER 8,862,966

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9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

8,862,966

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10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

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11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
18.09%

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12. TYPE OF REPORTING PERSON\*

IA, CO

-----

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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Item 1. (a) Name of Issuer:  
Continental Airlines, Inc.

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(b) Address of Issuer's Principal Executive Offices:  
2929 Allen Parkway  
Suite 2010  
Houston, TX 77019

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Item 2. (a) Name of Person Filing:  
(a) Morgan Stanley Dean Witter & Co.  
(b) Morgan Stanley Asset Management Inc.

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(b) Address of Principal Business Office, or if None, Residence:  
(a) 1585 Broadway  
New York, New York 10036

(b) 1221 Avenue of the Americas  
New York, New York 10020

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(c) Citizenship:  
Incorporated by reference to Item 4 of the  
cover page pertaining to each reporting person.

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(d) Title of Class of Securities:  
Common Stock

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(e) CUSIP Number:  
210795308

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Item 3. (a) Morgan Stanley Dean Witter & Co. is (e) an Investment Adviser  
registered under Section 203 of the Investment Advisers Act  
of 1940.

(b) Morgan Stanley Asset Management Inc. is (e) an Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940.

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Item 4. Ownership.

Incorporated by reference to Items (5) - (9) and (11) of the cover page.

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

Inapplicable

Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

Accounts managed on a discretionary basis by Morgan Stanley Asset Management Inc., a wholly owned subsidiary of Morgan Stanley Dean Witter & Co., are 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. No such account holds more than 5 percent of the class.

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

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

Item 9. Notice of Dissolution of Group.

Item 10. Certification.

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

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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: October 8, 1998

Signature: /s/ Bruce Bromberg

Name/Title Bruce Bromberg / Vice President Morgan Stanley & Co. Incorporated

MORGAN STANLEY DEAN WITTER & CO.

Date: October 8, 1998

Signature: /s/ Donald P. Ryan  
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Name/Title Donald P. Ryan / Vice President Morgan Stanley Asset Management Inc.  
-----  
MORGAN STANLEY ASSET MANAGEMENT INC.

INDEX TO EXHIBITS  
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EXHIBIT 1 Agreement to Make a Joint Filing 7

EXHIBIT 2 Secretary's Certificate Authorizing Bruce Bromberg 8  
to Sign on behalf of Morgan Stanley Dean Witter & Co.

\* Attention. Intentional misstatements or omissions of fact constitute federal  
criminal violations (see 18 U.S.C. 1001).

(022597DTI)

EXHIBIT 1 TO SCHEDULE 13G

OCTOBER 8, 1998

MORGAN STANLEY DEAN WITTER & CO. AND MORGAN STANLEY ASSET  
MANAGEMENT INC. hereby agree that, unless differentiated, this  
Schedule 13G is filed on behalf of each of the parties.

MORGAN STANLEY DEAN WITTER & CO.

BY: /s/ Bruce Bromberg

Bruce Bromberg / Vice President Morgan Stanley & Co., Incorporated

MORGAN STANLEY ASSET MANAGEMENT INC.

BY: /s/ Donald P. Ryan

Donald P. Ryan / Vice President Morgan Stanley Asset Management Inc.

\* Attention. Intentional misstatements or omissions of fact constitute federal  
criminal violations (see 18 U.S.C. 1001).

EXHIBIT 2

MORGAN STANLEY, DEAN WITTER, DISCOVER & CO.

SECRETARY'S CERTIFICATE

I, Charlene R. Herzer, a duly elected and acting Assistant Secretary of Morgan Stanley, Dean Witter, Discover & Co., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), certify that as approved by a Unanimous Consent of Directors in Lieu of a Meeting dated as of May 31, 1997, the following persons are each authorized to sign reports to be filed under Sections 13 and 16 of the Securities Exchange Act of 1934 on behalf of the Corporation, and such authorizations are in full force and effect as of this date:

Stuart J.M. Breslow  
Robert G. Koppenol  
Bruce Bromberg  
Robin Sherak

IN WITNESS WHEREOF, I have hereunto set my name and affixed the seal of the Corporation as of the 3rd day of June, 1997.

/s/ Charlene R. Herzer  
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Charlene R. Herzer  
Assistant Secretary