



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-0405

Mail Stop 3561

November 9, 2007

Mr. Melvin J. Melle
Chief Financial Officer
The Hallwood Group Incorporated
3710 Rawlins
Suite 1500
Dallas, Texas 75219

**RE: The Hallwood Group Incorporated
Form 10-K for Fiscal Year Ended December 31, 2006
Filed May 14, 2007
File No. 1-8303**

Dear Mr. Melle:

We have completed our review of your Form 10-K and related filings and have no further comments at this time.

Sincerely,

William Thompson
Branch Chief