

WASHINGTON (UPI) —

Wholesale prices fell 0.5 per cent in February, the biggest monthly decline in nearly a year, the Labor Department said today.

The overall decline reflected the fourth consecutive monthly drop in food prices and an easing of inflationary pressures on industrial goods.

Wholesale prices, which "generally foreshadow prices paid by consumers, have either declined or remained unchanged over the past four months. But February's report showed the biggest single monthly improvement since an 0.5 per cent drop in March, 1975.

Following a 1.8 per cent leap last October, wholesale prices remained unchanged in November, declined 0.4 per cent in December and were unchanged again in January.

The February wholesale price report brought good news for President Ford, who has cited recent improvements in inflation and unemployment as evidence his go-slow economic policies are working. February's unemployment report was to be released Friday.

Wholesale prices for industrial goods rose 0.3 per cent, compared to average monthly increases of 0.7 per cent during the last half of 1975. Contributing to this improvement was a substantial decline in fuel and power costs caused in large measure by reduced crude petroleum prices under the Energy Policy and Conservation Act.

Food and farm prices fell 2.3 per cent, continuing a trend that began last November. Meat and dairy prices declined along with sugar prices -- which had increased during January.

The Wholesale Price Index in February was 179.4, or 4.7 per cent higher than a year ago. This means that goods costing \$100 in 1967 now cost \$179.40.

Ford's critics, particularly those in organized labor and on the campaign trail, have contended that the economic indicators will sour in coming months.

Behind February's higher industrial prices were increases for lumber and wood prices, leather goods, rubber and plastic products, scrap metals and foundry and forge shop products, some textiles, machinery and some chemicals.

Fuel and power costs declined primarily because lower prices for crude petroleum, residual fuels, gasoline and bituminous coal more than offset increases for coke, liquefied petroleum gas, distillate oils and electric power.