Attorney General Eric H. Holder Jr. is endorsing a proposal that would reduce prison sentences for people convicted of dealing drugs, the latest sign of the Obama administration’s retrenchment in the so-called war on drugs.

In January, the United States Sentencing Commission proposed changing federal guidelines to lessen the average sentence for drug dealers by about one year, to 51 months from 62 months. Mr. Holder testified before the commission on Thursday in support of the plan.

With the support of several Republicans in Congress, the attorney general is separately pushing for the elimination of mandatory minimum sentences for nonviolent drug crimes. In January, the Justice Department issued a call encouraging low-level criminals serving lengthy sentences on crack cocaine charges to apply for clemency.

Since the late 1970s, the prison population in the United States has ballooned into the world’s largest. About one in every 100 adults is locked up.

In the federal prison system, the one that would be affected by the proposed changes, half of the 215,000 inmates are serving time for drug crimes. Under the changes being considered, the federal prison population would decrease by about 6,550 inmates over the next five years, according to government estimates.

“This overreliance on incarceration is not just financially unsustainable,” Mr. Holder said. “It comes with human and moral costs
that are impossible to calculate."

The nation’s prison population peaked in 2009 at more than 1.6 million inmates. Since then, as state budgets have tightened and crime has hit record low levels, that number has declined each year.

Public attitudes have also changed. Twenty states and the District of Columbia have legalized medicinal marijuana, and Colorado and Washington State have legalized it for recreational purposes.

President Obama has said that marijuana is not that different from tobacco and no more dangerous than alcohol, and his administration has declined to stand in the way of legalization. Last month, Mr. Holder announced rules to help bring legitimate marijuana businesses into the banking system, which had been off limits.

About a third of the Justice Department’s budget goes to the prison system, a fact that has helped Mr. Holder win conservative allies for sentencing changes. He met recently with libertarian-minded Republicans in the House and Senate, including members who oppose him on many other issues.

But Raymond F. Morrogh, the top prosecutor in Fairfax County, Va., said budget woes were no reason to make sentencing more lenient.

“Shouldn’t we consider other areas of the federal budget to trim the fat off of, rather than roll the dice with the safety of America’s communities?” Mr. Morrogh said, testifying on behalf of the National District Attorneys Association.

He said prosecutors use the threat of tough sentences to persuade defendants to cooperate and help the government unravel criminal organizations.

“Rewarding convicted felons with lighter sentences because America can’t balance its budget doesn’t seem fair to both victims of crime and the millions of families in America victimized every year by the scourge of drugs in America’s communities,” Mr. Morrogh said.

Mr. Holder has also described prison overhaul as a matter of civil rights. African-Americans are disproportionately represented in prison: They make up 13 percent of the nation’s population, but 37 percent of the federal prison population.
The crack cocaine epidemic is one of the main reasons the prison population has grown so much. In 2010, Congress voted unanimously to reduce the 100-to-one disparity between sentences for crack cocaine offenses and those for powdered cocaine. Blacks received harsher sentences under those guidelines because crack cocaine has been more popular in black neighborhoods, while whites have been more likely to use powdered cocaine.

The Sentencing Commission writes the guidelines that judges must consider. It is soliciting comments on the proposed sentencing reductions and will vote, probably in April, on whether to carry them out. Unless Congress voted to reject the proposals, the commission’s changes would go into effect in November.

Until then, the Justice Department said Mr. Holder would tell federal prosecutors not to oppose any sentence that would fall under the more lenient guidelines.

“This straightforward adjustment to sentencing ranges, while measured in scope, would nonetheless send a strong message about the fairness of our criminal justice system,” Mr. Holder said. “And it would help to rein in federal prison spending while focusing limited resources on the most serious threats to public safety.”