HARVEY MILK WAS A LIAR
HE WAS HONORABLY, NOT DISHONORABLY, DISCHARGED FROM THE NAVY

Harvey later told voters that despite all his accomplishments, the navy dishonorably discharged him after discovering his homosexuality....But the Harvey Milk of this era was no political activist, and according to available evidence, he played the more typical balancing act between discretion and his sex drive.
(Randy Shilts, The Mayor of Castro Street, p. 16)

In 1947 Milk entered New York State College for Teachers in Albany, New York. After earning his degree in 1951, Milk joined the navy. He served as a chief petty officer on a submarine rescue ship during the Korean War (1950–53), in which American forces aided the South Korean fight against North Korea. Eventually he reached the rank of junior lieutenant before his honorable discharge in 1955.
(NotableBiographies.com, http://www.notablebiographies.com/Ma-Mo/Milk-Harvey.html)

After graduating from college, he served in the U.S. Navy and was discharged in 1955 (although Milk claimed that he was dishonourably discharged due to his homosexuality, military records do not support the allegation).
(Britannica Concise Encyclopedia: Harvey Bernard Milk)

He had not suffered this disgrace, he told a later campaign manager, but he knew the story would make good copy. If anyone said something to Harvey about his fondness for such stunts, he would gesture wildly as launched into a lecture. “Symbols, symbols, symbols,” he insisted. Sure, he had not been kicked out of the military...The point of the story was to let people know that service people routinely do get kicked out. Besides, he once confided, “Maybe people will read it, feel sorry for me, and then vote for me.”
(Randy Shilts, The Mayor of Castro Street, p. 78-79)