The Honorable E. (Kika) de la Garza House of Representatives Washington, D.C. 20515

29 JAN 1979

Dear Mr. de la Garza:

This is in response to your letter concerning my retirement from the Navy. When I entered the U.S. Naval Academy in 1943 one of the incentives offered was the earned right to retire from active military service after a period of twenty years. I was commissioned an Ensign in June 1946 and served in a variety of posts, including sea duty in the Korean conflict and in the Tonkin Gulf during the Vietnamese action. I decided last year after completing 32 years of commissioned service that the time had come to retire, which I did effective 31 December 1978.

I can understand the confusion and concern of some people who read news stories which distort the facts. I do not receive two salaries from the government for doing one job. I receive the regular pay due me as the Director of Central Intelligence. I also receive a portion of my Navy retirement, fairly earned for my 32 years of active service.—I consider that money no different than earnings from an investment—in this case 32 years of my life—little different than a stock portfolio or, more to the point, dividends received from an accumulation of U.S. Government bonds. Indeed, unlike a holder of government bonds I am penalized for remaining in government service by losing nearly half of my Mayy retirement.

I am enclosing a copy of a letter sent by two gentlemen-unknown to me--to the <u>Mashington Star</u> which states the case in
some detail. Perhaps it will answer some of your questions.

Yours sincerely,

/s/ Stansfield Turner

STANSFIELD TURNER

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January 12, 1979

Letter-to-the-Editor Washington Star Washington, DC

Dear Editor:

The article entitled "Pension Boosts CIA Chief's Pay to \$81,000", in the 1/11/79 edition of the <u>Washington Star</u>, was misleading and unfair. You should have pointed out that the arrangement arrived at by Admiral Turner is actually <u>saving</u> the Government money.

As an Admiral with over 30 years active service, Turner is entitled to a pension of 75% of his highest base pay. His highest base pay was \$55,000 per year, so his pension would be \$41,715 per year.

Under the long-standing rules governing "double-dipping", applicable to retired regular officers of the Armed Forces, Admiral Turner will lose 50% of his pension for each \$1 he earns as a civilian employee of the Federal Government, after the first \$4,000 of his pension. This is why his pension will be only \$23,390, rather than \$41,715.

If Admiral Turner were to resign his position as Director of the CIA and get a private-sector job, the Government would have to pay him his entire pension of \$41,715, AND it would have to pay someone else \$57,500 to be Director of the CIA; thus, the total outlay by the Government would be \$18,325 GREATER.

A provision of the new Civil Service Reform Act limits the total federal compensation of retired military personnel (civil service pay plus military retirement) to \$47,500 per year. (Admiral Turner escaped this provision by retiring from the Navy before the new law went into effect.) Because of this unfair new law, in the future people like Admiral Turner will be even less willing to serve in the Federal Government as civilians. Less-qualified people will have to be used in important federal civilian positions, and the total outlay of government funds may be GREATER rather than lesser.

In the future, Sid Taylor of the National Taxpayers Union should check his arithmetic before issuing assinine press releases.

J. Stuart Showalter

Samuel F. SWATght