Paul Donovan returned to Halifax from London, England, after completing film school there in 1974. Like others, he felt the promise of the new climate in the industry, and started to work. With his brother Michael, a lawyer by trade, he founded Surfacing Films, and made a first feature South Pacific. 1942, a surreal comedy set in a Canadian submarine during World War II. Canada had no subs in World War II. Recently, the Donovans have completed their second feature Siege, which is in post-production in Toronto. At present, they are the only feature film producers in Nova Scotia.

Cinema Canada: How did Surfacing Films come into existence?
Paul Donovan: There are a lot of unemployed people in Nova Scotia, and we were amongst them. We wanted to utilize our skills, and my background was in filmmaking. We started to work at raising money. It evolved slowly, and as I needed more and more legal advice, Michael provided it and became more familiar with the mechanics of what we were doing; and after a while we were a film company. John Wahal had just come back from Singapore or Taiwan, where he was working as a diver in shark infested waters. He likes Nova Scotia because there's nothing big there, he says. Because people sit around and drink beer, they're skeptical. He liked the challenge of building a submarine.

Maura O'Connell was not in on the first film, she just started recently (as co-director on Siege).

Cinema Canada: Why are you based in Halifax?
Paul Donovan: We like Nova Scotia.

Cinema Canada: What sort of advantages or disadvantages do you find there?
Paul Donovan: The disadvantage is that we're off on our own, and that's probably an advantage also.

Cinema Canada: What about the final end: is it harder to raise money in the East or perhaps easier because you're the only people there?
Paul Donovan: I don't know, because we haven't tried to raise money ourselves. Sometimes we console ourselves, saying it's harder because people are extremely conservative with what money they have. It's not huge amounts in Nova Scotia. They're not cowboys. On the other hand, we sometimes think the other way, that we're in untested waters.

Cinema Canada: The money for both your films has been raised through the Capital Cost Allowance. Has that been primarily in Nova Scotia?
Paul Donovan: Primarily in Nova Scotia, but a lot of tax shelter investment has been raised there for other films. The people who know, know, and people inside the financial world will tell you what films sold there. It's a very cozy, well-organized, small back-room market. We're in a position, if we deliver, that we will at least find money for future films. We have a structure in place that's very good for us at present.

Cinema Canada: This structure for financing films, does it have to do with the fact that you have the creative and legal elements combined in a single company?
Paul Donovan: It's been a good balance for us. But my brother won some writing prizes while studying law, so I think he's a reasonably creative person, and I'm reasonably business-minded. I'm intimately familiar with distribution contracts, etc., so that we can deal with it all ourselves. That helps us cut costs and it helps us take a realistic approach.

Regarding the structure, what we have is an agreement with a broker, whereby the broker would like to keep us going and we have to deliver a certain amount of product. The tax shelter is an added bonus, but it's not a fundamental part of the agreement. All we have to do is make low-budget films that make money.

Cinema Canada: What about the logisticals of working in Nova Scotia? How much do you have to import?
Paul Donovan: Everything. There is no 35mm equipment for anything, that's all there is to it. But what's the difference? It doesn't matter. It's as much trouble to get a camera for outside Toronto to downtown Toronto as it is to ship to Halifax. Planes take one out in two hours. You do have to edit far away, and go without certain things, like you have to wait two days for rushes. Which is not a rush. There's no double system projection at all, so you can't see synced rushes.
But there's a certain ambiance you like to have, which tends to happen because actors are not local. The acting community is not of sufficient size in Hollywood to supply a complete cast for any film. We sort of have an affirmative action toward local actors, but we want to cast everywhere.

Cinema Canada: How loyal are you to Nova Scotia?
Paul Donovan: Oh, there's no loyalty. We don't have any loyalties. Especially now. It's me. It's a matter of pure like or dislike. I like living in Nova Scotia. I like the climate. But that's the only thing that is positive. I could have a bad experience, it could rain 75 days in a row. I don't know. Los Angeles has never had any particular attraction for me. It's a hard question to answer. I think it would be bullshit if I said I hate Hollywood.

We have a lot of freedom: producing our own films, choosing our own scripts. We have our own nice little close-knit family. I don't think that there's a lot of pretension or a lot of self-delusion that we're Hollywood Northeast. We just want to make better films and films that we sort of believe in and that, at the same time, are interesting. That's what seems possible in Hollywood. If you want to be a big boy, order 2,000 people around, work on a huge set and read about yourself in the National Enquirer, that's not our ambition. Being free and being lost in a system are two different things.

Cinema Canada: You submitted a brief to the Canadian Cultural Policy Review Committee that said, in part, that in order for a film to qualify for the Capital Cost Allowance, it should be budgeted at under $2 million. What was the rationale for this?
Paul Donovan: My rationale on that is very, very simple. You can sell a low-budget film to limited markets, so it doesn't have to be Star Wars to make its money back. Or, you can make a big-budget film that has a Major involved from the beginning. And I don't mean 'involved' because of a little piece of paper or a 100-page contract that says, 'we're interested in this film, blah, blah, blah,' with one little escape clause. The Majors have to sink money into it. If they've sunk money into it, they're going to have to carry it all the way. But if they're just agreeing to use the film with an eye toward distribution, that's nonsense — only the CFDC and a broker in 1979 would swallow that.

Cinema Canada: So in a sense it's an argument for revenue guarantees.
Paul Donovan: If you're going to make a big-budget film, you better have revenue guarantees, or else anyone investing in it is nuts. If you make a small film, you can go by the script, by the enthusiasm and dedication of the people. Even if they err, the limited markets — pay-TV, foreign sales — will bring the money back. What we argue is that $3 million is supposed to be the amount of money needed to make a fairly professional film. At a $2 million price most of the money has to be spent on what you see. But when it gets up to five, well, John Guillermin is suddenly getting $785,000... that sort of thing.

The CCA is supposed to help the film industry. I see that as money going into the pockets of actors and technical people and art directors, not huge salaries. Two million just doesn't leave room for those huge salaries, so if there's $100 million available in tax shelter money, it might go into 50 films instead of 20. and out of those 50, 15 might be good. More people working is what it's all about, but now we've seen a new vision.

Cinema Canada: Ah! A new vision. Paul Donovan: A new vision of what should have been done. The new rules from the securities commissions make me vomit. Personally, I think it's driving staple guns into the heads of the film industry. It's all well intended; but basically, as the tax shelter evolved from real estate, film was treated as a piece of real estate. But it's not, it's film. It's a creative medium, it's an illusion, so you have to deal with it on that basis. In the end, by all these little rules of checks and balances, you're supposed to come up with a good film. The securities rules prevent gigantic exploitation by the producers, but that's just a problem. If the securities commission, from the beginning, required that every person investing in a film had to be provided with a copy of the script, I think some of the films would never have been made. The average orthodontist has gone to university. He can pinpoint a turkey.

I've read big-budget scripts that were completely incompetent. The format is even incorrect. That sort of thing is pathetic.

We can never make a film with a public issue because of the security commission rules. No way. We will never buy a completion bond. These are parts of the budget that don't go on screen. We stand behind our films. If it's us or the broker who put in the money, we'd better finish it and sell it. If we're going to virtually non production fees up front, so we have to do it through private placements all the time. I think that the securities commissions have catered to the tiniest proportion of filmmakers who make a certain type of film to a certain budget, and dealt death to the others because the cost of doing a public issue is still prohibitive.

Cinema Canada: So your position is less one of nationalism that realism? Paul Donovan: I'm extremely anti-nationalist. I hate nationalism. This cultural thing you read about. It just makes my knees give out, it makes me go into dead falsities. It's like this committee with a K on culture. What's culture? You take two steps back and this is the funniest thing you've ever seen. I don't know what culture is, but when I was walking in the streets of London years ago and saw the punks come out with Mohican haircuts, I suddenly realized that probably in 100 years scholars will consider this part of the culture of the '80s. But it didn't come from a committee. A British committee defining culture is talking about something completely different which will be forgotten in a few years.

I think that good films can come out of a completely free-wheeling system provided people with ideas and creative spark can get out to the private market and somehow raise that money. Ideally from an organization like a distributor or a television company. Then you would have somebody who has had to face the realities of the market. Each time, it will be a new person who will make a new film and four out of five times it's going to be bad, or two out of five. But some of the time it's going to be good and eventually it's good, they have a new person.

If the film industry's larger, well-established organizations, which the CFDC is oriented to support, can't survive, they shouldn't survive. If a film company's going to drop it, let it drop. It's got to be survival of the fittest.

Cinema Canada: You're talking about the week dropping away. Has South Pacific 1942 made its money back?
Paul Donovan: No.

Cinema Canada: Is it close?
Paul Donovan: No.

Cinema Canada: Ah hah!
Paul Donovan: We're talking philosophical arguments. We could be one of the week that drop away. Well, that's too bad. It's painful to think this way, but that's what's happening in this industry. What would make us most happy, for instance, would be if the CFDC policies were written to give huge amounts of money to someone in exactly our position.

Cinema Canada: People who are essentially regional, small budget?
Paul Donovan: Yes. The regional thing is great. Sometimes that can be used: you're in an underprivileged area and that area has been tapped for 100 years. We want something back. Me personally, essentially. It's almost a fair argument.

We don't want it that way. We don't want the regional arts committees to have anything to do with what we do. We want us to make our own money back. Maybe that's in our heritage, the Scottish fear of debt. We want to be independents who make films people want to see.

Cinema Canada: You and your brother also made an application for a pay-TV license. Was that an expression of raging regionalism?
Paul Donovan: Well, there's nothing to talk about, because by the time this article comes out, the CRTC will proba-
The problem is, we were inspired by the All Night Show. We'd have a late-night Toronto program, which featured comedian Chas Lawther as the "Security Guard," who ranted old videos until six in the morning. It is no longer on the air.

Everybody is talking about Canadian culture — that program was it, right? It was a little bit loose around the edges. This was what TV could be. Now, it's too formal and rigid. We could have fun, do something really cheap, and make all of it. Put with all the work out there. I always felt it was the problem that they were in the situation where they are stuck in the face, the old Canadian government, seeing something that could be done. We tried to solve your main liability. I think I worry more about the non-news media. If they did give us the license, we'd really enjoy ourselves. We made it the channel for things that would never normally be on.

Cinema Canada: For instance? Paul Donovan: There have been Canadian movies that were very bad. We think it might be reasonable to show half the money, possibly the worst parts, and then get the people involved in the making of it, and they would fill in the rest of the story and tell you what went wrong.

The primary motivating factor is that it dispenses with the formalities of tele­vision, it becomes a sort of FM-TV. The high production value associated with TV is slickness; throw it away. Good television quality, but make it very personal, a little bit loose around the edges. The camera might fall on you once in a while, but still have a good image.

It would be a national license. No regional rage. We're sort of ranging regionalists. Canada's a fun place. The best thing about Canada is that it's not unified.

People say Quebec wants to separate. Alberta hates Ontario, B.C. looks down on the Prairies. It goes on and on. It looks like the United States, you see everybody's waving the flag, marching in bands, and building B-52 bombs with a song. It's better...

Siege

The battle of Bay Street

A man appears in a window of a Halifax waterfront tenement with a homemade bazooka on his shoulder. There is a brief story from the rocket in the tube before it flares off into the night air. An inferno of flames explodes on the roof of a nearby office building where a sniper is perched.

The Halifax police are on a strike. Citizens are forced to defend themselves by their own methods. But wait — two dark figures emerge on the rooftop trying to douse the flames. Fire trucks and police cars encircle the building.

The strike is over, but the filming of Siege is on.

In Edge City, filmmaking is a precarious occupation, except for the convoluted comfort provided by the fat budgets of training films for the department of National Defense. Feature films are as rare here as Atlantic salmon, and if the acid memos from Toronto banks have the appropriate impact, they will destroy the species in the Maritimes as well as elsewhere.

The existence of a film called Siege, now in the final editing stage, is definitely a minor financial miracle. After walking in and out of cynical people's offices, they extended the deadline and ran into a broker who felt he could capitalize on a faltering industry. He raised another 35% and guaranteed the rest. More importantly, he put up $150,000, which is a lot of overdue bills.

The Donovans felt they had a viable product on their hands, and even though the movie financing market looked bleak, they hit the broad­banded streets once again.

They managed to garner 25% of the funds they needed, but the deadline came and went for the final monies to be deposited. After some paper shuffling, they extended the deadline and ran into a broker who felt he could capitalize on a faltering industry. He raised another 35% and guaranteed the rest. More importantly, he put up $150,000, which is a lot of overdue bills.

Suddenly the broker was not interested in a high-risk movie invest­ment. Michael and Paul had contracted all of the actors and 85% of the crew.

The game was over. Paul called up all the cast and crew — cancel, cancel, get drunk.

The next morning Michael shook Paul into consciousness and said, "This is what we're going to do..." They went directly to the broker's largest investor and dined him in tea and cookies for three hours while they tried to convince him of the viability of the project. They even produced a letter of guaranteed distribution from an L.A. distributor on short notice. This particular investor has been described as "solid, conservative," but at the end of the discussion he was convinced. This was Friday morning. He said he would try to get the banks to put up money on his signature.

The banks, however, were another stumbling block. Recent memos from head office had vetoed any film investment. The investor had to muscle them to get the money. After the phone conversation with the bank, the investor turned to Michael and said the bank would not do it. Les was doing it, and he really couldn't come up with an answer. Three days later the cheque arrived at Surfac­ing Film Productions' office. The Siege was on.

After their hairy experiences with the financing of the film, they were ready for the worst. Strange as it sounds, the shoot went off without any major problems. It was 17 straight shooting days averaging 14 hours per day. A lot of money was extremely dedicated and averaged 45 set-ups per day.

Shooting mostly at night with high speed lenses and the state-of-the-art Movican camera, the main problem for D.O.P. Les Krizsan was how to shoot an action movie with eight inches of depth-of-field. When I arrived on set the lighting was such that I had difficulty seeing what was happening. I reminded one of the gaffers on Richard Leiterman's lighting of Good Day, Go to the Road, "They should make light meters with illuminated dials for cine­matographers Uke Richard." Les could probably use one of those at times. However, despite the lack of depth-of-field, the minimal lighting approach cuts crew size, lowers equipment rents, speeds up production, and adds a touch of realism.

And realism was the underlying concept during the filming of Siege. The special effects had to be good and with no money to hire an expensive L.A. effects company, the pros many were extremely dedicated and averaged 45 set-ups per day.

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