

PAUL DONOVAN

by John Harkness



Paul Donovan returned to Halifax from London, England, after completing film school there in 1978. 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 Walsh 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.

John Harkness, Toronto film critic, is a former Cinema Canada staff reporter.

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?

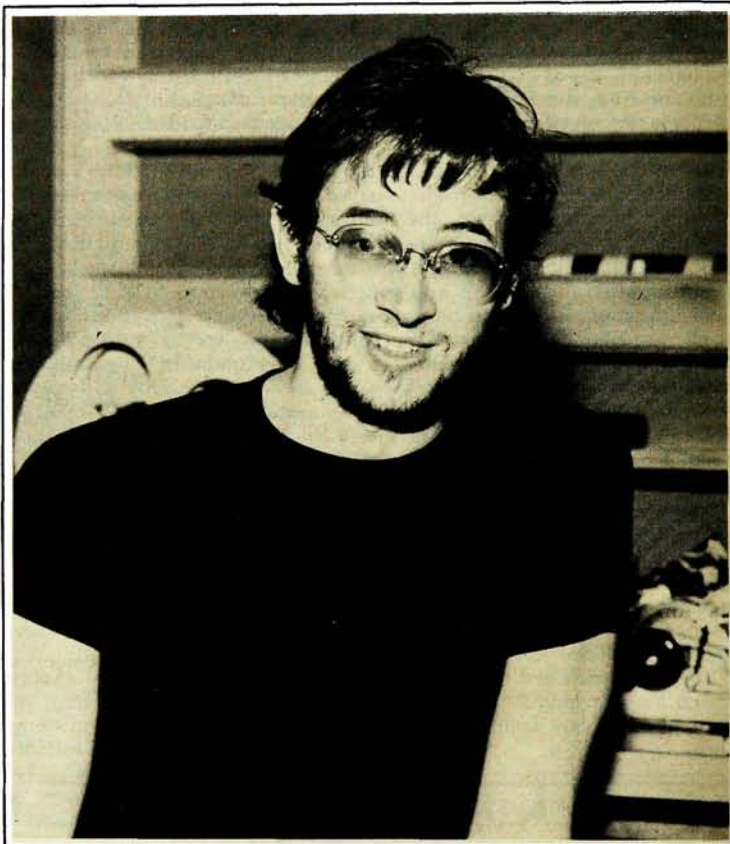
Paul Donovan: I don't know, because we haven't tried to raise money ourselves. Sometimes we console ourselves, saying it's harder because people are extremely conservative with what money they have. It's not huge amounts in Nova Scotia. They're not cowboys. On the other hand, we sometimes think the other 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.

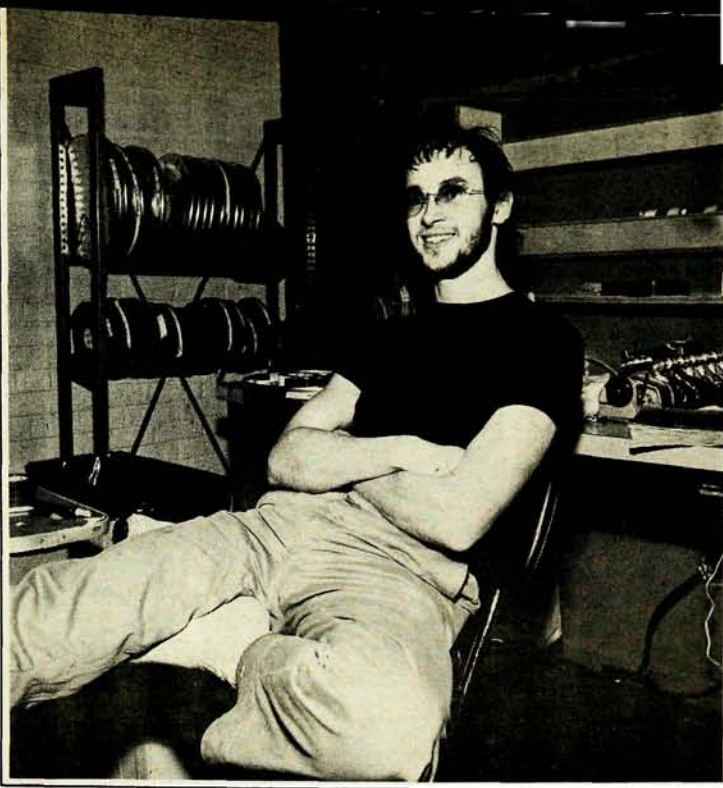
Cinema Canada: So the removal of the tax shelter wouldn't have much effect on you?

Paul Donovan: Maybe it will and maybe it won't. It certainly makes the deal very sweet for an investor. It's like a net hanging underneath you. The tax shelter made the film industry. Films started being made when people realized how the shelter could be sold to the general public, and I don't believe for one second that films could have hap-

pened without it. I don't know if it will die without it; it may, but people are much more experienced and level headed than in '77.

Cinema Canada: What about the logistics 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. Airplanes 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 ambience you like to have, which tends to happen because actors are not local. The acting community is not of sufficient size in Halifax 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 me. It's a matter of pure like or dislike. I like living in Nova Scotia. I like to think that in two months I could have a completely different opinion. 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, keep us going. That doesn't seem 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, this may be an advantage, but those aren't our ambitions. 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 budgetted 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 \$2 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 was never the 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. It's our money. We take virtually no 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 than 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 faints. 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 in.

Also, and this is an emotional part for us, they have to change the policies of the Canadian Film Development Corporation.

Cinema Canada: What's wrong with the CFDC?

Paul Donovan: The CFDC should only be giving money to new people. It would be nice if they could never give money to the same person or organization twice.

If the CFDC put up half the money for a \$500,000-\$800,000 film, and the only requirement was that the person had to put up the other half (and it couldn't come from themselves or their cousin, or uncle), that means they'd have to go 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 everytime 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, let it drop. It's got to be survival of the fittest.

Cinema Canada: You're talking about the weak 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 weak that drop away. Well, that's too bad. It's painful to think this way, but that's our opinion on the film 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 raped for 100 years. We want something back. Me personally, especially. 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 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-

ably have given the license out, and we can't presume what they will say.

The problem is, we were inspired by the "All Night Show" (a late-night, Toronto program which featured comedian Chas Lawther as 'Chuck the Security Guard,' who ran weird old video until six in the morning. It is no longer on the air).

Everybody is talking about Canadian culture - that program was it, right there. Prior to Bob and Doug. This was what TV could be. Now, it's too formal and rigid. We could have fun, do something really cheap, and most of all, work with all those people out there, all those nuts who aren't now in the Canadian film industry and are lurking around bars. You want them on TV doing something - there's lots of material out there. You need a minor league.

The CRTC might have felt threatened by our application. The danger was that they described in their call for applications that they wanted something new and experimental - things that hadn't been on TV before. And we're standing there, saying, "Hey, that's what we're trying to do, we don't want to be HBO." But, you can philosophically say that's what you want, but when you actually see it staring you in the face, the old Canadian government, seeing something that could be disorderly... That's our main liability. I think we suffer from being too non-mainstream. If they did give us the license, we'd really enjoy ourselves. We would make it the channel for things that would never normally be on TV.

Cinema Canada: For instance?

Paul Donovan: There have been Canadian movies that were very bad. We think it might be reasonable to show half that movie, 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 technical quality, but make it very personal, a little bit loose around the edges. The camera might fall over once in a while, but still have a good image.

It would be a national license. No regional rage. We're sort of raging regionalists. Canada's a funny 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 its nose at the Prairies, it goes on and on. I think it's healthy. That's people. When you look at a country like the United States, you see everybody's waving the flag, marching in bands, and building B-1 bombers. That's unity.

It's better to have a little hysteria and people not knowing and not being so sure of the country's values, and disagreeing. I like the Italian government, the fact that they change every few months. They say uncomfortable things and maybe it affects their international credit rating, but these are not particularly woeful problems.



● Getting the most for his money, Les Krizsan films the action. Photo: Ian McGeagh

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 flame 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 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, exception made of the dubious 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 distribution offices around the world with its first feature *South Pacific* - 1942, Surfacing Film Productions decided it better fit its next film to the meat market of cinema distribution.

South Pacific - '42, a black comedy about a wacky Canadian-crewed submarine in the W.W. II Pacific Theatre, is now running opposite a feature about the W.W. II Wolf Pack subs in German

theatres. But distribution was a hard battle for lawyer Michael and director-brother Paul Donovan, the pair who run the show at Surfacing. This time they decided a solid action movie had a better chance at the low-budget market. After auditioning several scripts with distribution people, they finally got a favourable reaction to *Siege*.

The film is a tale of gang murders in Halifax during the longest police strike in history. The key event occurs when a potential victim takes refuge in a run-down apartment building on the Halifax waterfront. The tenants have to defend themselves, *Straw Dogs*-style, against a gang of thugs.

The Donovans felt they had a viable product on their hands, and even though the movie financing market looked worse than bleak, they hit the broadloomed 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 10% interim financing, which paid a lot of overdue bills.

All looked rosy, but another Maritimer in Ottawa, the Hon. Allan MacEachen put a damper on the scene with his budget. Suddenly the broker was not enthused over a high-risk movie investment. Michael and Paul had contracted all of the actors and 98% of the crew; it was a week before shooting when the broker called.

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 on 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 the cash on his signature.

The banks, however, were another stumbling block. Recent memos from head office had vetoed any film investment financing. 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 manager had asked him why he 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 during production. Strange as it seems, the shoot went off without any major problems. It was 17 straight shooting days averaging 14 hours per day, but the cast and the crew were extremely dedicated and averaged 45 set-ups per day.

Shooting mostly at night with high speed lenses and the state-of-the-art Moviem 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. It reminded me of the gaffers comment on Richard Leiterman's lighting of *Goin' Down the Road*; - "They should make light meters with illuminated dials for cinematographers like 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 rentals, 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 props man, John Walsh had to do some improvisation to pull it off. He started by finding a somewhat paranoid gun collector in rural Nova Scotia with one of the biggest private arsenals in the country. With a barn full of automatic weapons to choose from, the props department had a field day. But at night the machine guns went home with an R.C.M.P. gendarme.

Fortunately, the cast was made up of experienced professionals who could handle the weaponry. Doug Lennox, a veteran of television action shows like *The New Avengers*, played the role of the villain "Cabe." Tom Nardini, a child actor in Hollywood who moved to the N.Y. stage, plays the lead male role. Brenda Bazinet, a Saskatchewan native who moved to the Toronto stage plays the female lead. The film also features Keith Knight and Jack Blum, both of *Meatballs* fame.

Chuck Lapp ●

SIEGE exec. p. Michael Donovan p. John Walsh p man W. James Bruce p asst Douglas Meggison d Paul Donovan, Maura O'Connell dop Les Krizsan 1st a d Cordell Wynn asst cam Roberto Elizabetsky unit man Cordell Wynn scr Paul Donovan sd Pierre Dostie boom Alan Scarf elec Ian Henderson gaffer Michael Ruggles clapper N.O. Goose chef Jim Sharpe sp efx make-up Carolyn van Gorp sp efx J. William Walsh, T.J. Cove ed Keith Brewer ed ed Martella Tower cast Iris Essex l p Doug Lennox, Keith Knight, Jack Bloom, Jeff Pustil, Branda Bazinet, Daryl Haeny, Tom Nardini, Dug Rotstein, Alan MacGillivray, Barbara Jones, Gary Dempster, Dennis O'Connor, Fred Wadden, Rick Collins, Terry-David Despres lab Quinn Sound, p. c. Salter Productions