



SABET, HABIB

SABET, HABIB (b. Tehran, 1903; d., Los Angeles, 1 Esfand, 1368/20 February 1990), Bahai entrepreneur and industrialist, who rose from humble beginnings to become one of the wealthiest and most influential men in Iran in the late Pahlavi period. He owned, wholly or in partnership, some forty of the largest companies in Iran, in which more than ten thousand people were employed (for the companies founded by him, see Sabet, pp. 284-85). He also played a major role in introducing the accouterments of modernity to Iran.

Both his maternal and paternal families were of Jewish heritage who were converted to the Bahai faith. They were of the city of [Kashan](#) but had lived in [Tehran](#) for several generations, where Ḥabib's father, 'Abd-Allāh Sabet, was born. He was an uneducated but astute and hard-working cloth-merchant. His mother, Kešvar Arjomand, was from a family of prominent physicians. Although the family had modest means, his father scraped enough together to send Ḥabib and his sister to the Bahai Tarbiat School. From the age of 13, Ḥabib attended the St Louis School (see [FRANCE xv](#)) in Tehran, tutoring his fellow-pupil, Ġolām-Ḥosayn, the son of Moḥammad Moṣaddeq (the future prime minister), to help pay for his own education (Sabet, pp. 1, 28-31).

Sabet appears to have shown a skill for business from a young age. As a child, one of his uncles used to give him a coin to go out and buy his tobacco. Ḥabib then realised that he could make a profit by buying the tobacco in bulk and selling it to his uncle in parts at the usual retail price (Sabet, pp. 9-13). While still at school, Sabet began spending time at a bicycle repair shop, where he became one of the earliest Iranians to gain a knowledge of the workings of



motorcycles and cars. It was at his suggestion that the owner of the shop, Moḥammad-Taḳī Tām, used a converted truck to set up the first bus service carrying passengers from the Maydān-e Tupkāna to Qolhak and Tajriš in about 1918 (Sabet, pp. 38-41, 45, 47 ff.). Many people would go out from Tehran to the resort areas of Tajriš and Qolhak during the summer weekends. So Sabet persuaded Tām to set up a bicycle shop in Qolhak under Sabet's management. At the end of the weekend, the shop would hire out bicycles that people could ride downhill all the way back to Tehran. They would deliver the bicycles to Tām's shop there and these were then transported back to Qolhak by truck ready for the next weekend. This proved a popular and profitable enterprise during the summer months of the school holidays. For the rest of the year, Sabet earned money at weekends as the driver of a Willys Overland car that Āṣaf-al-Saltāna had purchased (Sabet, pp. 575-59).

At the age of 18, while still at school, Sabet had saved enough money to purchase a second-hand Ford car for 500 tumans, and he began a taxi service to Qolhak and Tajriš at weekends. In the first three days, he made 100 tumans in fares. After a time, he began carrying passengers further afield, to Bandar Anzali, Qom, Isfahan, Shiraz, and Baghdad. In 1925, he journeyed to Beirut, where he purchased a new Ford car. He took the opportunity to visit Haifa and meet there with Shoghi Effendi, the head of the Bahai faith (Sabet, pp. 66 ff.). He then drove back with paying passengers to Tehran, where he sold the new Ford for almost twice the purchase price. He repeated this enterprise several times, purchasing more cars each time. He became a partner in the Auto Tehran Company, which was established by the Kattāna brothers of Beirut, with the franchise for importing Dodge and Chrysler cars. Competition in importing cars was increasing so, after a while, Sabet travelled to France and Italy to familiarize himself with the automotive market. A good example of his imaginative and enterprising mind was the fact that, on his way back from this journey, he watched an English circus in Baghdad and came to an arrangement with the owner for 20 percent of the profits of the show in Tehran. He transported the whole circus to Tehran in the two Berliet trucks and the large Fiat car that he was bringing back. This was the first time that a circus had performed in Iran (Sabet, pp. 103-5).

With the vehicles now at his disposal, Sabet set up the Sabet Transport Company (Edāra-ye Ḥaml o Naql-e Sabet), the first such company in Iran. Through his maternal uncle Raḥim Arjomand, deputy to minister of post and



telegraph, Qāsem Şur Esrāfil, he was able to procure a contract to carry Iran's post to Mazandaran, the first time that the post was carried by motorized transport. So successful was this that within a short time the company obtained contracts to transport the post to other parts of Iran. In 1928, Sabet contracted to transport rails for the construction of a railway across Iran. Soon the number of trucks owned by his company reached twenty (Sabet, pp. 105 ff.).

In 1929, Sabet married Bāhera, the daughter of Sayyed Aḥmad Kāmsi, a wealthy landowner and businessman (his uncle Sayyed Naşrollāh Bāqerof owned the Grand Hotel in Tehran, where the family were staying when Sābet was introduced to them). That a self-made man from a humble Jewish background would even think of marriage into a prominent and wealthy sayyed family in the Iran of 1929 was in itself remarkable evidence of the ability of the Bahai Faith to overcome deeply-held prejudices. Sābet was accepted as son-in-law for the family. They were survived by two sons, Iraj (1931-2014) and Hormoz (b. 1936).

Typical of Sabet's manner of proceeding was that during his school years, he set his mind to building a kitchen door that his mother needed, although he had no carpentry experience. Having succeeded in that, he built a bed for himself and then some other furniture for the house. This experience created in him a sharp interest in carpentry, which made him spend a good part of his time watching local carpenters in order to learn the fine points of their trade. He eventually learned about an annual fair held in Leipzig, where German products, including woodwork, were exhibited. After some hesitation, he made the trip to Leipzig, where he carefully studied and familiarized himself with woodworking machinery and ordered, from a firm in Stuttgart, the machinery for a woodworking and furniture manufacturing factory. He then returned to Iran and set up this factory in Tehran in 1932 on a piece of land offered to him by 'Abd-al-Ḥosayn Mirzā Farmānfarmā for an affordable price (Sabet, pp. 117 ff., 127, 131 ff.). This was the second modern factory to open in Iran; only a [sugar](#) factory had existed in Iran before this. However, orders were slow in coming. Although he procured a contract to supply cabinets to the Ministry of Arts and Crafts (Wezārat-e piša wa honar), they were slow to pay. Sabet eventually succeeded in meeting Sayyed Mahdi Farrok, in his office, to claim the overdue payments. His blunt response to the sharp denials of the minister caused him to be jailed. He was released after two months when his case was brought to Reza Shah's attention by the minister of justice, 'Ali-Akbar



Dāvar, who had been personally approached by Sabet's father-in-law. Some time after this, Reza Shah himself visited the factory and instructed that all orders for furniture for the court and the Tehran municipality should be placed with Sabet's factory (Sabet, pp. 140-54). Despite a fire in 1938 that fortunately did not damage the machinery, Sabet's factory enjoyed great success, taking orders from both private individuals and government offices and employing more than 200 people (Sabet, pp. 155-57, 159).

During World War II, however, when the Allied forces took over Iran, Sabet's factory was requisitioned for their military purposes without compensation. In view of the threat of persecution that religious minorities were facing at this time, Sabet entrusted the management of his carpentry factory to his father, sold his share in Auto Tehran to the Kettāna brothers, and left Iran for the United States in November 1942. Another incentive for leaving Iran was to make sure that his two sons would have a chance for a good education. When the factory was returned at the end of the war, the machinery had been worn out and was useless. In Sabet's absence, his father sold the machinery and turned the factory into a warehouse (Sabet, pp. 159 ff., 182-83).

On leaving Iran, Sabet traveled eastwards to the west coast of the United States, arriving in San Francisco and then moving to New York, on the way visiting Bahai communities in Los Angeles and Chicago. In Los Angeles, he was invited to address a gathering of the local Bahais. Establishing himself in an office in Rockefeller Plaza in New York City, Sabet began a business trading between Iran and the United States by creating the Firuz Company in Tehran with 'Aziz Yazdi, his agent, as its manager. He did not find any goods that he could successfully import from Iran to the United States, and transporting material while a world war was in progress was difficult, but he found that it was possible to send small items, such as women's and men's stockings, locks, cosmetics, and pens, through the regular postal service. This was successful, and he was approached by some Tehran businessmen who had set up a company by the name of the Pāsāl Company to join with them. The result was the Sabet Pāsāl Company (Sabet, pp. 171, 179-80, 182, 185-86, 188-89, 191; Milani, p. 682).

During his last year of living in the United States (1946-47), Sabet traveled around, acquiring numerous franchises from American companies. After his return to Iran, he fell into a pattern of traveling to the United States, seeing what was being used there, identifying the same gaps in the market in Iran, and filling them by acquiring franchises in the course of his travels, usually



from American companies. Thus, knowing of a need for rubber tires in Iran, Sabet traveled to Akron, Ohio, and negotiated a contract with the General Rubber and Tire Company there. This eventually led to the establishment of a tire factory in Tehran in 1964 as a joint venture with the American company (Sabet, pp. 191-95). In 1946, he cooperated with the Royal Typewriter Company to design and manufacture a typewriter with Persian letters for importing to Iran. For the import of medical supplies and consumer goods, Sabet obtained franchises to import drugs such as penicillin from Squibb (and later, drugs from Schering also), surgical and medical equipment (such as X-ray machines from the Dutch firm Philips), and consumer goods such as Revlon nail varnish, Philips razors, Magic Chef cookers, Kelvinator refrigerators, and Duo-Therm room heaters and water heaters, the import of which advanced the movement from public baths to household baths in Iran. After a time, this importing led to the establishment of factories for the manufacture of the same goods in Iran; for example the building of a drug manufacturing factory as a joint venture between Firuz and Squibb. Sabet's younger son Hormoz was eventually put in charge of the Firuz Company (Sabet, pp. 213-15, 219-26, 266-67).

In 1947 Sabet succeeded in obtaining the dealership for Studebaker cars in Iran. When the Studebaker Company began to fail, he acquired the Volkswagen franchise in competition with forty-six other applicants, establishing the Iran Foloks Company. From this, Sabet's attention turned to other aspects of the motor trade. He obtained a franchise for Esso motor oil, and, despite initial reluctance from the company, he succeeded in persuading them to set up a factory for the production of motor oil in Ray, south of Tehran. This, in turn, necessitated the building of a factory for the production of barrels and cans in which to transport the motor oil and another facility for filling these barrels and cans. Sabet also obtained the franchise for the Autolite Company of America, which produced spark plugs. For this, a company called Auto Nur was set up in Tehran in 1950, which went on to obtain a wide range of dealerships for car parts and equipment related to cars (such as fuel pumps for garages). The setting up of these factories necessitated the movement of much heavy material from one place to another and this in turn gave Sabet the idea of acquiring the franchise for fork-lift trucks from the Yale Company. Sabet saw a need for small personal aircraft to cover the large distances in Iran and acquired the franchise for Beechcraft airplanes, in particular the Bonanza models, which were bought both by wealthy private individuals and by the Ministry of Health (Wezārat-e behdāri)



as air ambulances; seeing the need for agricultural machinery to provide Iran's agriculture with modern equipment, he acquired the franchise of the versatile Minneapolis-Moline tractors, for the purchase of which the Ministry of Agriculture (Wezārat-e kešāvarzi) provided farmers with loans on easy terms; for Iran's rice-growers, he acquired the franchise of the Japanese Yanmar rice-planting machine; for the construction industry, Sabet imported cranes and other heavy equipment from the Letourneau company of Texas. When the Ministry of Industries (Wezārat-e šanāye') decided to build a large machine tools factory in Tabriz, Sabet assisted in this project by arranging to import the necessary heavy machinery from the Cincinnati Milling Machine Company. The above does not exhaust the list of Sabet's franchises and enterprises (Sabet, pp. 195 ff., 207-14). He was also on the board of several banks, including the Bank of Iran and the Middle East, the Industrial Mining and Development Bank, and the Iranians' Bank.

Perhaps the brand name that became most closely associated with Sabet was Pepsi-Cola. In the years after the World War II, Sabet managed to come to an arrangement with this company for the machinery to set up a bottling factory in Iran. He then placed an order in Germany for bottles and formed the Zamzam Company, which began production in 1955. The people of Iran were not used to buying bottled soft, fizzy drinks (and many thought such a venture would not succeed) but a campaign of advertisements, deep discounts to retailers, and free sample drinks managed to create a good market. In his memoirs, Sabet justifies his marketing of Pepsi-Cola by reminding readers of the other drinks that were previously available, often made with polluted ditch water, and compares this state of affairs with the hygienic conditions in the Zamzam factory. He refers to a speech in the Majles by the Health Minister Jahānšāh Šāleḥ, who stated that, following the introduction of Pepsi-Cola, cases of infective diarrhea had fallen by 60 percent. He also mentions a visit to the factory by the king's elder sister and her husband. The management of the Zamzam Company was given to Sabet's son Iraj, who had recently returned to Iran after completing his post-graduate education with an MBA degree from Harvard University. So successful was this enterprise that further factories were built in Kōrramšahr, Ahvaz, Rašt, Mašhad, Ešfahān, and Shiraz (and eventually other cities, employing 3,500 people in all). Ancillary factories for the production of bottles (under the name Minā Company), corks, and crates were also eventually built (Sabet, pp. 227-39).

Sabet was also responsible for introducing television broadcasting in Iran.



His son Iraj had brought a small closed circuit television system with him from the United States. This was set up to present a show for the entertainment of the Queen Mother, who personally knew Sabet and liked him (Sabet, pp. 239-47). The shah happened to see this and was much taken with the possibilities of this new device. He asked Sabet to proceed with bringing television to Iran and instructed the chief executive officer of the oil company to support such a venture. This was not an easy task, as individuals with the necessary technical, production, and performance skills did not exist in Iran, the studios and broadcast towers did not exist, and there was no demand from companies for advertising time. Expertise was brought in from abroad, and people were sent to train abroad. Broadcasting began in Tehran in 1958 and gradually spread to the rest of the country. To support this, factories assembling radio and television sets were constructed, and in 1976, a joint venture with the Phelps Dodge Corporation for a factory making electrical wiring and telephone cables was started, but it was interrupted by the Islamic Revolution of 1978-79 (Sabet, pp. 247-53, 256-58, 265, 267-70, 274-75).

Habib Sabet was an active member of the Bahai community. He often visited Bahais during the course of his travels and attended Bahai conferences. He was a member of the National Spiritual Assembly of the Bahais of Iran for over twenty years and on the Board of the Nawnahālān Company (a Bahai children's savings bank). He visited Shoghi Effendi, the head of the Bahai faith in Haifa, on several occasions. On one occasion in 1934, when Reżā Shah closed all of the Bahai schools in Iran and cut communications between Iran and Haifa, Sabet and his wife traveled immediately to Haifa to visit Shoghi Effendi and ask for his guidance and instructions. He purchased a number of important Bahai holy sites and meeting places for the community and was not afraid to use his contacts with influential figures in Iran to try to protect the Bahais in times of danger, such as during the anti-Bahai disturbances in 1955, which kept intensifying with the provocative weekly sermons of the popular preacher Shaikh Moḥammad-Taḳī Falsafi, and eventually led to the ransacking of the Bahai headquarters in Tehran (Akhavi, pp. 76-90; Tawakkoli Ṭarḳī, pp. 106-10). During his travels, he accumulated a considerable collection of Western art and antiques from Paris, New York, and London.

In the late 1960s and 1970s, when the shah was becoming increasingly authoritarian, Sabet suffered a number of adverse decisions from the shah and government, including the nationalization of his television company in 1969. As a result of this trend, Sabet moved to Paris in 1977. After the Islamic



Revolution occurred and all of his assets in Iran were confiscated, he never again returned to Iran. He moved to New York and died on a trip to Los Angeles on 22 February 1990.

Sabet's achievements despite unfavorable odds portray him as a hardworking visionary, a shrewd businessman, who was endowed with a resourceful and inventive mind that enabled him to face and resolve problems and bypass difficult obstacles. He was a man of firm determination and persistence, who would welcome and eventually overcome difficult challenges that others had shunned. He had a strict, demanding approach in the management of his business, which made some people refer to him as an overbearing and self-promoting individual. Some of his workers complained of his single-mindedness and authoritarian manner, while his competitors accused him of ruthlessness. However, many of the accusations against him arose out of jealousy at his success and out of religious prejudice. Indeed the accusations emerging from the Islamic Republic of Iran can be regarded as propaganda manufactured against a figure who embodies two of the greatest hates of that government, Jews and Bahais. For example, he obtained his franchises in his own right and not as an agent of the Bahai community, nor was he capitalized by that community; he was a devoted Bahai, but his television stations never promoted or even mentioned the Bahai faith; while he may have employed more Bahais than other companies, this was only because of the high levels of prejudice against Bahais in those other companies; there is no evidence that he was an agent for, or even in much contact with, the Israeli government; it is true that he was close to such figures as the Queen Mother and Prime Minister [Ḥosayn 'Alā'](#), but his wealth and success were less due to favors and patronage than many others in his position: he was given government contracts often because his company was the only one able to do the job, and the tax and customs exemptions that his television company received in its early years were in recognition of the extremely high start-up costs of such a venture and the fact that it would inevitably run at a loss at first. Iran-based sources usually give his surname as Sabet Pāsāl, which was the name of his company; there does not seem to be any evidence that he ever used this as his surname.



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