Since the breakdown of the Israeli-Palestinian negotiations a month ago, the news media have reported that it was Yasser Arafat who balked at compromise. The impasse was the status of Jerusalem, and Arafat demanded that Israel grant Palestinians unconditional sovereignty over East Jerusalem.

Israel and the Palestinians are just "inches" away from an agreement that would end more than 50 years of conflict between them, "inches" away from creating the first Palestinian state in history, and "inches" away from bringing prosperity (and investment dollars!) to the Palestinian people. And yet so far Arafat refuses to make the compromises that will take him those last few inches. Instead of becoming the man who brought peace to the Palestinians, it is starting to look as if Arafat's legacy will be that of the man who came close to peace but ultimately failed. What has happened?

Arafat has suddenly realized that his religious legacy might be the opposite of his political legacy. He sees that even as he delivers Palestinian statehood and prosperity, he could become known as the man who sold out Islam. How so?

Since its formation, Jerusalem's Dome of the Rock shrine has been Islam's third most holy site. The Dome marks the place to which Muhammad magically traveled in order to ascend to heaven. Jerusalem's nearness to heaven even led Muslims to pray towards Jerusalem before they began to pray towards Mecca.

Since Jerusalem is so important to Islam, Muslims conquered it in the seventh century AD and have controlled it ever since, with only two interruptions. The first was under the Christian Crusades, from 1099 to 1187, and the second began when the Israeli army occupied the area in the 1967 Six-Day War. Since 1967, Israel has maintained its authority over the Dome of the Rock by military might, even while the Muslim authorities ran its day-to-day affairs.

The problem for Arafat is that any peace deal with Israel that does not restore sole Palestinian power over the Dome will be seen in Islamic eyes as a failure. An agreement in which Israel retained sovereignty, even if it gives administrative power to Islamic authorities, would be like Italy taking the Vatican from the Pope and then asking him to pay rent. Jerusalem's Islamic authorities would always be subject to the power of another religion, Israel's Judaism, and this would be unacceptable.

How bad would it be for Arafat? We have only to look at the Muslim understanding of the Crusades to answer the question. The Christian Crusaders' repeated acts of rape, murder, and other atrocities against innocent civilians of all religions, especially Muslims, gave the Islamic world an image of the Western, Christian world that is almost demonic. This view became so deeply ingrained that it still colors nearly all Islamic interaction with the West.

The Israeli occupation of East Jerusalem and the area surrounding the Dome of the Rock has rendered them, in Muslim eyes, almost as bad as those Crusaders. Any agreement Arafat makes which does not restore Jerusalem to Islam would make him their accomplice. He would be seen as a traitor, as someone who allowed non-Muslims to retain control of this sacred shrine, an abnormality which has occurred in only 121 of Islam's 1421 years.

So Arafat will negotiate the best deal that he can with the Israelis. Israel may settle for neither side getting sovereignty over the Dome of the Rock, but they will not give sole sovereignty to the Palestinians. Is there room for a creative compromise? Perhaps. But Arafat will have to make difficult choices, and those choices will determine his legacy.