THE THREAT of massive federal army intervention in Slovenia subsided last night after the rebel republic said the status of its external borders could be negotiated with the European Community and Yugoslavia's political leaders.

EC foreign ministers meeting in The Hague decided to send ministerial mediators back to Yugoslavia today. They also decided to ban arms sales and suspend aid to Yugoslavia.

There were more violent clashes between ethnic Serbs and Croats in the western republic of Croatia, and skirmishes in Bosnia-Hercegovina. Federal units were positioned in Slavonia, western Croatia, fuelling speculation that the Serbian-dominated army was preparing to defend ethnic Serbs against the Croats in any escalation of violence.

Mr Hrovje Hitrec, Croatia's information minister, accused the Yugoslav army of reinforcing its troops and asked the federal presidency to curb military activity. He said the Croatian government had asked the presidency to order federal commanders to confine remaining units to barracks.

After chairing the emergency meeting of foreign ministers in The Hague, Mr Hans van den Broek of the Netherlands said the Community was in effect demanding that Slovenia return control of its border posts to Yugoslavia by July 7, or face possible attack by the federal army.

The Slovene government announced that 10,000 of its territorial defence units had returned to barracks. It also said arrangements were being made to return federal army prisoners captured by the republic's defence forces during last week's heavy fighting.

In Belgrade, the federal capital, General Marko Negovanovic, a member of the federal army's chief of staff, criticised the role played in last week's events by Mr Ante Markovic, the federal prime minister. "He is trying to distance himself from the activities of the army and the defence ministry, which is now in accordance with the role of the federal government," he said.