At first the Continental troops held a momentary advantage as they started cannon fire early at a distance of 1,000 paces and then began with small arms fire. But outnumbered and out-gunned, they faced overwhelming odds as Cornwallis committed, in order of their position in the line of march: Hessian Jaegers with one 3-pounder; Queen's Rangers; 1st Light Infantry, two 3-pounders; 1st British Grenadiers, two 12 and two 6-pounders; Hessian Granadiers, 3 Battalions, six 3-pounders and the Brigade of Guards, two 6-pounders. The 3rd Hessian Grenadier battalion of Lt. Col. Friedrich Ludwig von Minnigerode ascended the slope in deployed formation and attacked the rebels' left flank moving far to the right into Ash Swamp to out-flank them. The enemy's left took two 12-pounders and several 6-pound cannons on rising ground to the rebel's right.

One eye-witness reported, "the fire growing hot and our men beginning to retreat, a British officer (Captain John Finch, son of the earl of Wichelson), singly rode up to a cannon that was playing on the enemy, and with his pistols and hanger forced every man from it, then seeing Lord Stirling, he cried, 'Come here you damned rebel, and I will do for you.' Lord Stirling answered him by directing the fire of four marksmen upon him, which presently silenced the hardy fool... Our men recovered the field piece which their want of small arms obliged them to abandon." Howe's aide, Captain Frederick von Muenchhausen, in writing of the battle states: "General Lord Stirling who was in command had his horse shot and General Maxwell was almost captured by the Hessian Grenadiers missing him only by a hair's breath." And, according to British Engineer John Montresor, "Lord Chewton, aide de camp to Lord Cornwallis, had his horse shot under him," as well.

Much of the action of the day involved the French field pieces which were first taken by the British, recaptured by Armand's men and then three-3-pounders were lost. One cannon was saved from the enemy and Armand later received a certificate of commendation from Washington for his actions at "the battle of short hill in jersey where 32 of his 80 men were killed."

The flanking by the enemy had its effect and Stirling's men being surrounded were obliged to retreat some escaping into the Swamp for safety. About noon, during a lull in the fighting, the memorable incident occurred of fearless Aunt Betty Frazee being asked by Lord Cornwallis for her newly-baked bread. Making it clear she was not on their side, she said, "Sir, I give you this bread through fear, not in love." Whereupon Cornwallis admiring her spirit and courage said to his men: "Not a man of my command shall touch a single loaf." (The Frazee house is still standing near the corner of Terrill and Raritan Roads.)

Another local legend taking place at this time tells of the British rolling out three barrels of applejack at Lamberts Mills (2011 Old Raritan Rd.) which "so enthused them they were easily influenced to end their offensive." The Terry Well at Rahway and Cooper Roads was reputed to have been "drunk dry" by British flanking troops on that hot day in June, and inventories claiming damage by the British were later filed by most residents of the area and a cannonball lodged in the side of the Front Street farmhouse of the Osborne's, now the headquarters of the local Historical Society.

Washington wrote orders to his generals to guard the five mountain gaps; Lord Stirling at the Westfield Gap; Parsons and Varnum, the Scotch Plains-Brown Town Gap; Lincoln at the two gaps from Quibble Town; Stephens and Woodford's Brigade, the hills as far as Steel's Gap; Sullivan at the rear and center between Stirling and Parsons, and Greene at the rear and center of Lincoln and Stephens. Any illusion the British may have entertained of an easy breakthrough was dispelled as the Americans stood fast and defended the vital passes.