Corresponding to induction, we have the following mode of inference: [—]

Hypothesis.
M has, for example, the numerous marks $P'$, $P''$, $P'''$, etc.,
S has the proportion $r$ of the marks $P'$, $P''$, $P'''$, etc.;
Hence, probably and approximately, S has an $r$-likeness to M.

Thus, we know, that the ancient Mound-builders of North America present, in all those respects in which we have been able to make the comparison, a limited degree of resemblance with the Pueblo Indians. The inference is, then, that in all respects there is about the same degree of resemblance between these races.

If I am permitted the extended sense which I have given to the word “induction,” this argument is simply an induction respecting qualities instead of respecting things. [—]

I call this induction of characters hypothetic inference, or, briefly, hypothesis.