Hume's argument against belief in miracles

Hume agrees that we can often learn things from testimony. But of course testimony is not right 100% of the time. So when should we believe it?

Let's say that T is a piece of testimony about some event E. Here is what Hume proposes.

First, figure out how likely it is that T is false. How do you do this? You might look at how reliable the person is, what they might have to gain, etc. Then look at all similar cases, and figure out what percentage of times testimony of that kind has been false. That is the probability that T is false. (Compare the way you would figure out the probability of a fair coin flip coming up heads.)

Second, figure out how likely it is that E occurred. How do you do this? The same way. Look at situations like the one described, and ask yourself how often E has occurred in those situations. So, for example, the probability of a 70 degree day in February in South Bend might be 2%, while the probability of a 70 degree day in May in South Bend might be 60%.

Then, compare the probability that T is false with the probability that E occurred. You should believe testimony only when the following is true:

$$\Pr(\text{T is false}) < \Pr(\text{E occurred})$$

This is what he means when he talks about the probability of the testimony being false being the "greater miracle."

There are two parts to this argument: (i) an idea about how to figure out probabilities, and (ii) a principle about when to believe testimony.

Suppose that E is a miracle. What is the probability of E then? Hume thinks: 0. But then it follows immediately that one should never believe testimony about a miracle.

Does a parallel argument show that one should never believe in a miracle on the basis of observation?