Assume a flat income tax that falls on wages, so that:

\[ C = (1 - t) W \]  \hspace{1cm} (1)

So that:

\[ C = (W - tW) \]  \hspace{1cm} (2)

Recall that:

\[ Y = W + P \]  \hspace{1cm} (3)
\[ Y = C + I + G \]  \hspace{1cm} (4)

Therefore:

\[ W + P = C + I + G \]  \hspace{1cm} (5)

Substituting (2) into (5):

\[ W + P = (W - tW) + I + G \]  \hspace{1cm} (6)

This gives:

\[ P = I + (G - tW) \]  \hspace{1cm} (7)

Meaning that aggregate profits are equal to private investment plus the budget deficit (assuming no foreign trade). Therefore:

a) The larger (smaller) the deficit, the larger (smaller) are profits.
b) The lower (higher) the tax on wages, the larger (smaller) are profits.
c) The larger (smaller) government spending, the larger (smaller) are profits.

From (7):

\[ I - P = tW - G \]  \hspace{1cm} (8)

Meaning that a public sector surplus implies a private sector deficit.