ALL HOLES COVERED
Covering all seven holes in a simple pipe makes the air in the whole tube vibrate, giving the note middle C.

FIRST THREE HOLES COVERED
This shortens the vibrating air column to two-thirds of the tube, giving the higher note G.

FIRST FIVE HOLES COVERED
This extends the vibrating air column to four-fifths of the total length of the tube, giving an E.

Source: http://www.houghtonmifflinbooks.com/features/davidmacaulay/instruments2_mac.shtml