The examples involving mapping tori of automorphisms of surfaces are wrong. However, the main results of the paper are correct.

Subsequent to the writing of the paper, we noticed a simple Arzela-Ascoli argument that proves the main result, which we record here, since it might help some readers. Suppose G is a finite group then a subset of Hom(G: Lipschitz homeo(M)) has compact closure (by Arzela) iff it lies in the K-bi-Lipschitz homeomorphisms for some K. Newman's theorem (that there is an epsilon, so that every effective G action has an orbit of diameter > epsilon) implies that the trivial representation is isolated in this space. Thus the effective K-bilipschitz G-actions form a compact set. Now, set $G_n = Z/n!$ and then we have a sequence of maps of the spaces of effective K-bilipschitz G_n-actions to the ones of G_{n-1} and none of these compact spaces are empty; therefore the inverse limit of these spaces is nonempty and there is an effective Q/Z action.